

# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

July 4, 1958

62nd Year, No. 27

## Insurers Lose Case But Win On Principle In Wis. Rate Decision

Wisconsin supreme court, in the first test at that level of the all-industry rating laws, last week upheld the disapproval by Commissioner Rogan of the fire and EC rates filed in 1955 by Fire Insurance Rating Bureau, but at the same time side-stepped the opportunity to set precedent. While upholding Mr. Rogan on the specific question of the rate level, the court declared that there is no definite factor for the profit formula in Wisconsin and that the commissioner is excluded from asserting "that no rates will be approved by him that do not comply with his staff's computations."

The court's general finding seemed to be that there was ample room within the law for the department and the bureau to get together and agree on a rate filing.

Wisconsin papers headlined the decision as a victory for the insurance

department and intimated that the result would be even lower fire rates than prevail under the compromise interim schedule now in effect. Actually, in calling for the bureau to file a new schedule of rates for fire and EC within 60 days, the court has opened the way for the use of experience in the years 1955-57 and the result likely enough will be a higher schedule.

The Wisconsin litigation arose from a filing of the bureau in 1955 which was approved by the late Commissioner Vande Zande, who resigned shortly afterward for health reasons. His deputy, Charles Timbers, a former bureau man, strenuously opposed the filing and he convinced some of the Wisconsin newspapers that hearings should be held, the result of which was disapproval of all the bureau filings and the promulgation by the department of a permissible loss ratio

formula which included factors of 2.5% for underwriting profit and 1% for catastrophe.

Wisconsin supreme court held that the commissioner "was justified in determining that the proposed rates as filed did not meet the requirements of the statute," but went on to reject Mr. Rogan's contention that the factor of 2.5% for underwriting profit has been definitely settled in Wisconsin, stating that such a holding by the commissioner "is without statutory authority."

### Department Can't Set Rates

Additionally, the court said Mr. Rogan was "precluded" from asserting that no rates will be approved by him that do not comply with the computations of his staff. The questions of profit factor and the making of rates (directly or indirectly) by the de-

(CONTINUED ON PAGE 23)

## Montana High Court Upholds Licensing Of Saskatchewan G. & F.

The Montana supreme court on June 23 handed down a decision in the case of Gardiner C. Waite versus Saskatchewan Guaranty & Fidelity and Commissioner Holmes in which Mr. Waite was the loser, three to two. The main point of decision was on the right of an agent to question the license of an agent.

### Nationally Famous

This is the famous case in which the Montana agents protested the licensing of an alien insurer owned by the province of Saskatchewan. Saskatchewan G. & F. is licensed only in Montana, but does a surplus line business in several other states. It set up its first agency at Plentywood.

The agents protested that Commissioner Holmes had entered into an agreement with a foreign government licensing this company, and they pointed out that it put the independent agents up against the proposition of competing with a subsidized insurer backed by its home government.

### Jensen Act

Licensing of this type of company produced national repercussions. The L'Assurance Centrale de Reassurances de Paris, another government-owned insurer, attempted to get into Florida, but was repulsed by Commissioner Jensen. Several states, led by the state of A. J. Jensen of North Dakota, either by legislation or department rulings have indicated they will not allow a government-owned company to enter.

## Late News Bulletins . . .

### Consent Decree For Baton Rouge Board

Under a decree prepared by the government and consented to by Baton Rouge Insurance Exchange, the Louisiana local board will modify its rules of operation in accord with the federal court decision in the case of the New Orleans Exchange. Under the decree Baton Rouge will eliminate practices alleged in the government's suit against it, such as boycott of non-member agents, non-stock insurers, and insurers which used non-member agents, etc. The consent is in line with the exchange's agreement that it would abide by the result in the New Orleans case.

### Wash. Agents Blast New NAIA "Primer" On Commissions

Washington Assn. of Insurance Agents is making a national issue out of the publication by NAIA of the so-called "primer" entitled "The Agency System In Relation To Insurance Economics" written by Robert E. Battles of Los Angeles, past NAIA president.

H. P. Sargent, Seattle, Washington state director, in a letter approved by the trustees of the association, has written G. R. McClure, Salt Lake City, chairman of the committee to review the executive committee minutes, as follows:

"You have by now received a pamphlet published by NAIA entitled The Agency System In Relation To Insurance Economics. The National Board of State Directors was informed of this publication at the 1958 midyear meeting. The board did not receive an advance copy. After reading the booklet it appears to us in the state of Washington (whether or not we or

anyone else agree with the material contained therein) that a serious matter of policy of the NAIA has been violated by the executive committee of NAIA. Our conclusions are that the booklet states a position sponsored by NAIA that has not been made by the policymaking body of NAIA, namely the Board of State National Directors. Heretofore, the Board of State National Directors has set the commissions policy of NAIA in a

(CONTINUED ON PAGE 23)

Great American has honored its Doylestown, Pa., agency, Bean, Mason & Eyer, on 75 years of representation.

Left to right are H. Richard Eyer; special agent John Wilke presenting a plaque to J. Donald Bean, and John Mason. Mr. Wilke has called on the agency for 33 years.



## Bar To FTC In Two Cases Upheld By U. S. Supreme Court

### Court Rules FTC Has No Power To Regulate Where States Supply Regulation

WASHINGTON—The Supreme Court has upheld the fifth and sixth appeal courts, which set aside cease-and-desist orders of the Federal Trade Commission prohibiting National Casualty and American Hospital & Life from carrying on certain advertising practices found by FTC to be false, misleading and deceptive. The opinion was unanimous.

Examination of the McCarran act and its legislative history establishes that that act withdrew from FTC the authority to regulate the advertising practices in those states which are regulating those practices under their own law, the Supreme Court ruled.

FTC urged that Congress did not intend to foreclose federal regulation of interstate insurance as a supplement to state action. That intent, the Supreme Court responded, is irrelevant in these cases since the advertising of these two insurers requires distribution by their local agents and there is no question but that the states possess ample means to regulate this advertising within their respective boundaries.

### FTC Said States Failed

FTC further argued its authority in these cases should be upheld because the states have not regulated in the meaning of section 2 (B), that the FTC act shall be applicable to the insurance business to the extent it is not regulated by state law. This argument is not persuasive here, the high court averred. Each state in question has enacted prohibitory legislation which proscribes unfair insurance advertising and authorizes enforcement through a scheme of administrative supervision. FTC does not argue that these statutes are mere pretense. But it urges that a general prohibition to

(CONTINUED ON PAGE 23)

## No Company Rush To Tie In With Big I Ad Campaign; See No Life, IAC Nuptials; Latter Bars Agency Mutual Membership

The vexing problem of company cooperation in the National Assn. of Insurance Agents' Big I advertising campaign was highlighted at the annual convention of Insurance Advertising Conference at Falmouth, Mass. In discussing another current topic Morgan S. Crookford, secretary of Excelsior Life of Toronto and president of Life Advertisers Assn., indicated that he did not anticipate joining of the latter group's interests with IAC under one tent during his lifetime. The two organizations separated in 1933, and current acquisition of life companies by fire and casualty groups had raised the question of a possible reunion. A proposal to admit agency mutuals to IAC membership was rejected, but proponents will pursue the plan.

### Previews September Campaign

In a review and progress report of the NAIA advertising campaign, Henry Brown and Frank Schaffer of Doremus & Co., New York City, advertising agency for the program, and James R. Mathews, New York NAIA staff promotion manager, previewed a September advertisement in the "Saturday Evening Post." This is designed for tie-in advertising by stock agency

companies in a special section of the issue for added impact. The advertising managers at Falmouth questioned the effectiveness of this plan and said that companies which did not tie in for various reasons would feel unidentified with the agency system. Some advocated a complete listing of all typical agency companies in the issue which provoked the pertinent question from Robert E. Brown Jr., advertising manager of Aetna Life companies: "Who would read it?"

### A "One Shot Effort"

The idea was characterized as a "one shot effort" by others, who said it smacked of last minute thinking of a way to tie companies into the program. They also said that their managements feel it is a poor time for consumer advertising. Miss Natalie Fisher, advertising manager of Employers Liability scored with the remark that "stopping advertising to save money is like stopping your watch to save time."

The Big I representatives said the tie in plan would not only give larger companies, which have done no consumer advertising, a boost but would permit smaller companies to participate.

(CONTINUED ON PAGE 19)

## Court Upholds Cal. Department Seizure Of Intl. Guaranty

Attorneys for International Guaranty & Insurance of Tangier, Morocco, failed in their efforts to force Commissioner McConnell to cease his activities in investigating the company and its U.S. personnel. Mr. McConnell seized the assets of the company in April and has sought to determine its true value. He insists the company was transacting insurance in California, maintained head offices in San Francisco and that the actual operations were masterminded by Stewart B. Hopps, wealthy and widely known insurance financial operative, often in trouble.

### Denies McConnell's Jurisdiction

Lloyd Dinkelspiel, San Francisco attorney, appeared June 26 before Superior Judge Devine contending that the company's operations were only on surplus lines, that it operated solely as a foreign surplus line company, and that Mr. McConnell had no jurisdiction. He said International Guaranty had no home office in San Francisco—a statement challenged by the commissioner based on the records obtained from the offices of J. W. Ehrlich, who appears to be chief trustee in the trust account—which Mr. McConnell has also challenged as to its true value—considerably down from \$1,100,000 which a prospectus and brochure featured early this year which also listed prominent persons as trustees.

Mr. Dinkelspiel argued that the company was developing plans and might have applied for a license to operate in California when plans had

(CONTINUED ON PAGE 29)

## Urges Control Of Loss Assignment Be Solely Insurer's

In his talk at the annual meeting of Loss Executives Assn. in Manchester, Vt., Lewis A. Vincent, general manager of National Board, reported that at a special meeting June 19 the board's executive committee recommended "that member companies place the responsibility for the assignment of losses for adjustment solely upon their authorized salary employees."

Though Mr. Vincent did not spell out the point, the recommendation, where followed by board members, will have the effect of eliminating the adjustment of losses by agents and the control by agents of assignment of losses. This has been the subject of wide discussion in recent months.

## M. M. Hendele, Retiring After 50 Years With National Fire, Honored

A luncheon was given by Vice-president C. L. Zook and his staff of National Fire last week at Chicago honoring M. Martin Hendele who is retiring after more than 50 years of service. In attendance were E. H. Forkel, president of National Fire, and J. M. Smith, president of Continental Casualty.

The greater part of Mr. Hendele's business career with National Fire was in the western department where he advanced to controller. In 1955 he was appointed assistant to the president and went to the home office in Hartford. He also spent some time in the west coast office in San Francisco.

Iowa National Mutual has named C. G. McLoud claims manager of the Portland branch.

## Birkenmeyer Elected Executive V-P Of United Pacific

Carl B. Birkenmeyer has been elected executive vice-president of United Pacific of Tacoma.

Mr. Birkenmeyer was with United Pacific for 11 years at Seattle and Los Angeles before going with American Auto, becoming resident vice-president in charge of Pacific northwest operations. In 1955 he rejoined United Pacific at Seattle as vice-president and a director.

## Propose Blue Cross Deductible In Pa.

A \$50 deductible Blue Cross policy was proposed at a conference of hospital administrators at Harrisburg, Pa., to reduce alleged over-use of existing policies.

Capital Hospital Service which serves central Pennsylvania, sponsored the meeting in an attempt to find ways of keeping costs down. The service was recently granted a 19.5% rate increase after it sought a boost of 28.8% and was advised by the insurance commissioner to study ways and means of cutting costs.

### Need MD Cooperation

Bernard Greenburg, head of United Steelworkers state welfare services, charged that medical men have an irresponsible attitude toward the hospitalization plan. He said that nothing can be done without the cooperation of the physicians involved, and predicted that federal socialization of hospitals might be necessary if private operating costs continue to climb.

## Midwest Agent-Company Leaders Meet



Principals at the midwest agent-company meeting, from the left: George A. Timm, Kenosha, vice-chairman of the conference committee of Midwest Territorial Conference of NAIA; Kent H. Parker, manager of Western Actuarial Bureau; H. W. Mullins, Rockford, secretary of the conference committee; Robert M. Byrne, Omaha, chairman; E. H. Born, manager of Western Underwriters Assn., and Rush W. Carter, western manager of Aetna Fire and chairman of the executive committee of WAB.

The annual meeting of the conference committee of Midwest Territorial Conference of NAIA with western managers and bureau leaders was conducted last week in the Union League Club, Chicago.

Rush W. Carter, Aetna Fire, welcomed the agents as chairman of the executive committee of Western Actuarial Bureau, and R. M. Byrne of Omaha presided as chairman of the agents' conference committee.

This is the first of the agent-company meetings and it has always been one of the most successful. The

## BenJack Cage Sued For \$15 Million On Failure Of ICT

AUSTIN—Suit for recovery of \$15 million from BenJack Cage and 14 other individuals and firms that allegedly had a part in the boom and collapse of ICT Ins. Co. of Dallas between its formation in 1950 and receivership in 1957, was filed last week in Austin by V. F. Taylor, receiver. It was brought in behalf of creditors, claimants, policyholders and stockholders.

### Petition 343 Pages Long

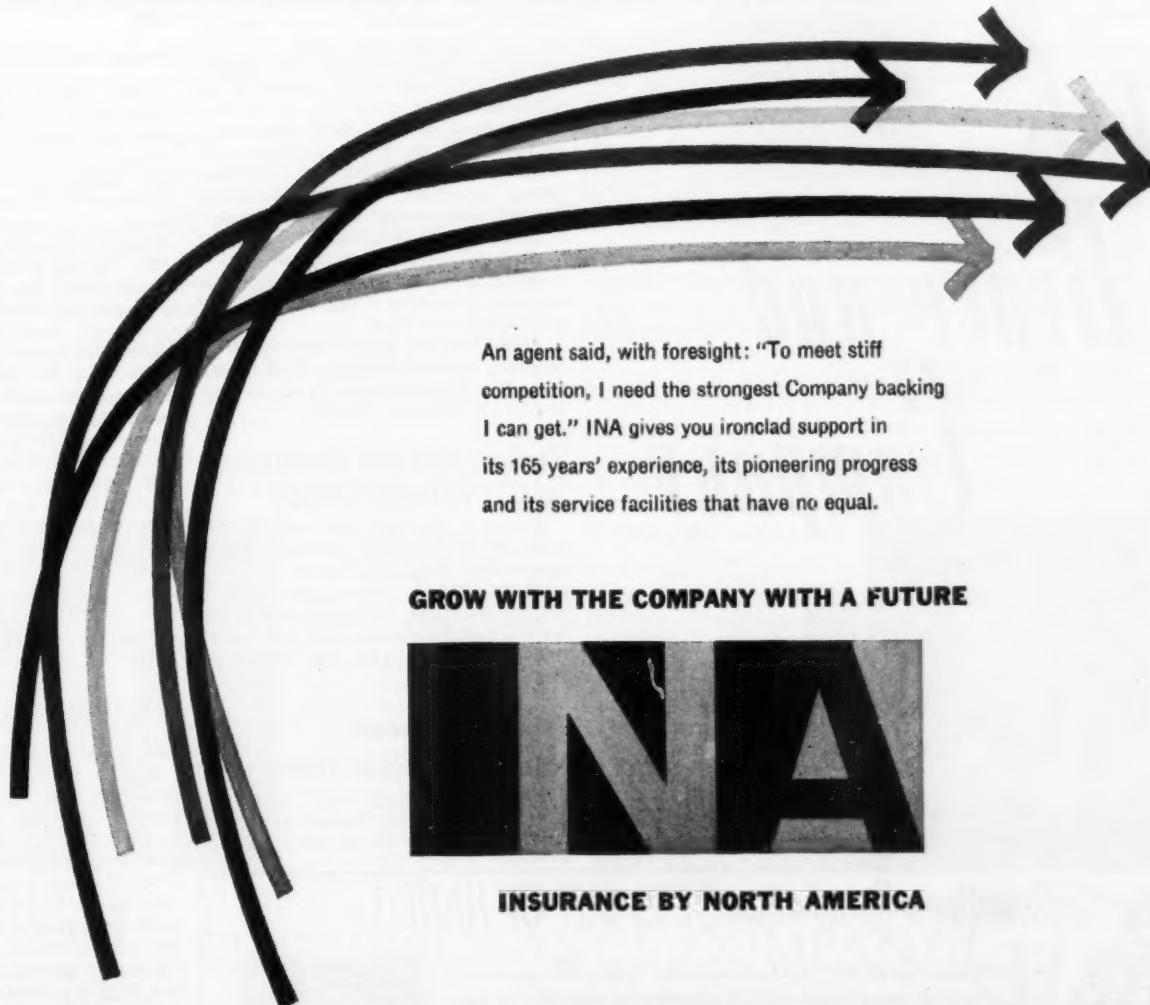
The 343-page petition accuses the defendants of "illegal, wrongful, fraudulent and negligent acts," declaring that the corporation was "conceived in fraud" and that many of the named defendants joined in the "scheme, venture and conspiracy" for their personal gain.

The suit, as filed by Renne Allred and Rudy Rice, attorneys, seeks recovery from the defendants jointly and severally and also contained 27 pleadings for recovery in specific amounts from named individuals resulting from specific actions, all being detailed in the lengthy petition.

The named defendants include 90 individuals, most of whom live in Texas but a few residents of six other states are listed, and 54 corporations, firms, insurance companies and banks.

The Indiana office of the Commercial Union-Ocean group has moved to 1812 North Meridian street, Indianapolis.

## Are you an agent with a future?



An agent said, with foresight: "To meet stiff competition, I need the strongest Company backing I can get." INA gives you ironclad support in its 165 years' experience, its pioneering progress and its service facilities that have no equal.

**GROW WITH THE COMPANY WITH A FUTURE**



**INSURANCE BY NORTH AMERICA**

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire & Marine Insurance Company • Life Insurance Company of North America • Philadelphia

## Minnesota Field Men Name Schodde To Helm

Glen W. Schodde, Baumann & Gordon, was elected president of Minnesota Capital Stock Insurance Assn. at the organization's annual meeting at the Pine Beach hotel near Brainerd.

The association also elected Dale D. McFeters, Phoenix-C onnecticut group, vice-president, and Charles F. Simon, National Union, secretary-treasurer. Mr. Simon will edit the association's monthly publication, "PRAM."

Members elected to the executive committee were: Paul A. Thomas, Hanover; Alton G. Goodspeed, Royal Exchange; Thomas J. Burke, Ohio Farmers; Walter C. Friedl, London & Lancashire; Harry S. Newman, New Hampshire, and George C. Maxwell, Fireman's Fund.



Glen W. Schodde

## Venezuela To Be Host For Hemispheric I-Day

U. S. Chamber of Commerce will sponsor the Hemispheric Insurance Conference at the University of Caracas, Venezuela, Nov. 8-14. Venezuelan Assn. of Insurance Companies will be host.

John A. Diemand, president of North America, will head a U. S. delegation of more than 40, among them James S. Kemper, chairman of Lumbermens Mutual Casualty, and Laurence F. Lee, chairman of Occidental Life of N. C., both former national chamber presidents.

Three days of the conference will be devoted to discussion groups. Victor C. d'Unger, reinsurance secretary of Lincoln National, has been named chairman of the life section. A. L. Kirkpatrick, manager of the insurance department of the U. S. Chamber, is secretary of the conference.

Great American has appointed Robert L. Ahrens special agent in Missouri. He will replace Donald Hostick, who is being transferred to Oklahoma.

## A.H. Lindsey Retires After 20 Years In Kansas For K.C. F.&M.

Adrian H. Lindsey, state agent of Kansas City F.&M. in Kansas for 20 years, is retiring to operate his family lumber business at Lawrence. Before joining K.C. F.&M. in 1939, Mr. Lindsey for 15 years was well known in athletics as a coach. He was athletic coach at Kansas University, head of the athletic department at Bethany College and football coach at the University of Oklahoma and at Kansas.

At a luncheon honoring Mr. Lindsey, Morton T. Jones, president of K.C. F.&M., presented a parchment scroll appointing Mr. Lindsey permanent state agent emeritus of the company in Kansas. Mr. Jones and Mr. Lindsey were officers together in the 89th infantry in the first war, and in the second war Mr. Lindsey was in the Pacific campaign as a colonel in the 96th infantry.

## Midwest Field Men Hold PR Parley

Presidents and public relations chairmen of the 18 field organizations in Western Underwriters Assn. territory met in Chicago this week for their annual roundup with the PR committee of WUA and the members of the WUA staff.

The first day the field men had a meeting with the public relations committee of WUA, with M. C. Formo, Great American, chairman, presiding. Organization executives and company officials also were on hand.

On the second day there was a meeting of the WUA staff for the purpose of holding a workshop on field association activities.

All of the 18 associations in WUA territory have changed their name from Fire Underwriters Assns. to Capital Stock Insurance Assns.

## Zurich Names Gatherer In Cleveland Office

Walter J. Gatherer has been named manager of Zurich's Cleveland office, succeeding George E. Lasch, who has resigned. Mr. Gatherer has been a branch manager for American States for the past five years, and was before that branch manager for Fireman's Fund.

## Trinity Universal Names Preston In Texas

Trinity Universal has appointed Richard E. Preston special agent for the Texas Panhandle territory. He will work out of Amarillo.

## Employers Opens Department Office In Cincinnati

CINCINNATI—Employers Liability opened its new southern Ohio department here last week with an open house in its offices in the Gwynne building, presided over by U. S. Manager E. A. Larner. A large crowd of insurance men from the area turned out to meet R. E. Wallace, the new manager, and his staff.

In addition to Mr. Larner, F. W. Boyle, deputy U. S. manager; L. L. Templeman, assistant deputy manager, and J. A. Donovan, agency relations director, were on hand from Boston. Also present were T. E. Hanlon, general agent here until he retired in 1951, and E. A. Russell, retiring general agent.

The new departmental office, which replaces the general agency, will supervise Hamilton, Clermont, Butler and Warren counties in Ohio and Campbell, Kenton and Boone counties in Kentucky. Underwriting, claim and engineering services are being consolidated in the one office. Mr. Wallace moves into his new spot after having been manager for Employers at Pittsburgh since 1952. A native of York, Pa., Mr. Wallace attended Swarthmore and graduated from Albright College. He began his insurance career in the home office of Indemnity of North America in 1926 and went with Employers as manager at Harrisburg in 1929.

### Russell To Continue Agency

The former general agency was taken over in 1907 by Mr. Hanlon, who had begun his career with Employers Liability in 1894. With scarcely any business to begin with, he built it up to one of the most potent organizations of its type and became an outstanding figure in Ohio insurance circles. During much of that time, Mr. Russell was his right hand man. A graduate of Xavier University and Cincinnati Law School, Mr. Russell joined Employers Liability in 1919 and went with Mr. Hanlon's organization as a special agent in 1921 eventually becoming assistant general agent and succeeding Mr. Hanlon on the latter's retirement in 1951.

Mr. Russell will continue his local agency, which has operated for several years under the name of E. A. Russell, Inc. and is located on the same floor of the Gwynne building as the Employers Liability executive offices. He is a member of the governing committee of Cincinnati Underwriters Assn.

## Craugh New President Of Utica Mutual

Joseph P. Craugh, executive vice-president, has been elected president-general manager of Utica Mutual to succeed the late John L. Train who died June 12 after a long illness.

Mr. Craugh joined Utica Mutual in 1945 as an attorney after 15 years in state government work in New York. He was assistant attorney-general in charge of unemployment insurance at the time Mr. Train was a member of the New York advisory council on unemployment insurance. Mr. Craugh was responsible for issuance of the initial official interpretation of the unemployment insurance law.

In 1950 Mr. Craugh was elected a director of Utica Mutual and in 1951 he became vice-president. He was elected executive vice-president in 1955.

**Seibels  
Bruce and  
Company**

INSURANCE  
AND  
REINSURANCE  
•  
COMPANY  
MANAGERS

POST OFFICE BOX 1199, COLUMBIA, SOUTH CAROLINA

Sometimes the situation GETS OUT OF HAND!



Whenever you get that "head-for-the-tall-timber" feeling, why not call on us. Ours is an Agency Company first, last and always. No matter what the situation may be—we want to help you!

The NORTHERN ASSURANCE has provided reliable insurance protection for over 120 years.

THE NORTHERN ASSURANCE CO. LTD.

FIRE AND ALLIED LINES • AUTOMOBILE • INLAND MARINE • REPORTING FORM • FLOATER CONTRACTS  
NEW YORK CHICAGO SAN FRANCISCO



Liabilities  
Ohio de  
an ope  
Gwynn  
S. Man  
crowd o  
a turned  
the new

r, F. W  
er; L. I  
manager  
relations  
a Boston  
lon, gen  
retired in  
ring gen

ce, which  
will su  
t, Butler  
Ohio and  
counties  
claim and  
ing con  
Wallace  
r having  
at Pitts  
of York,  
arthmore  
College.  
er in the  
of North  
with Em  
sburg in

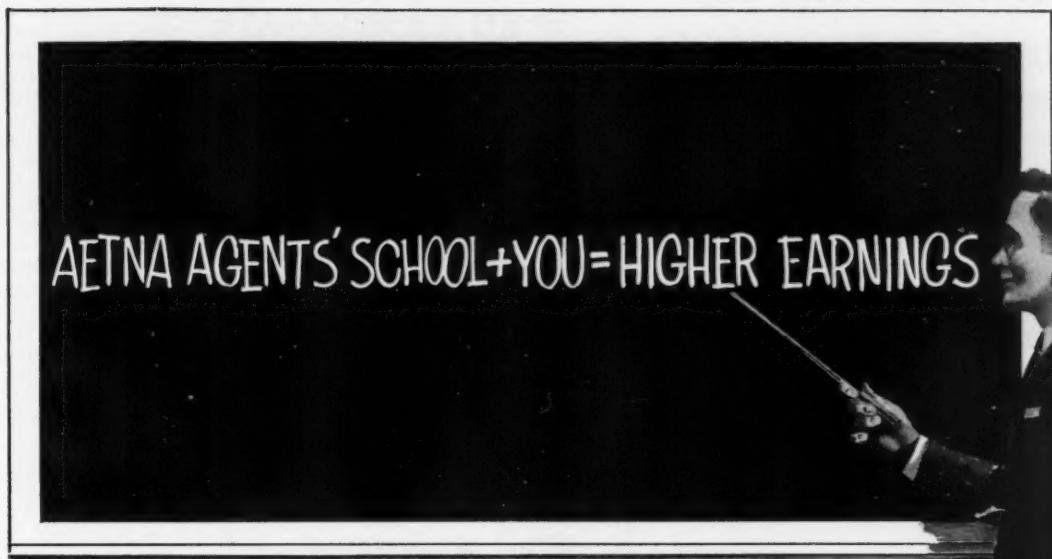
cy was  
Hanlon,  
ith Elm  
scarcely  
e built it  
ganiza  
an out  
ceme, Mr.  
man. A  
ity and  
Russell  
919 and  
nization  
entually  
ent and  
latter's

is local  
several  
Russell,  
ne floor  
the Em  
races. He  
g com  
rwriters

ent

e vice  
resident  
tual to  
in who  
ess.  
tual in  
years in  
New York.  
eral in  
ance at  
ember of  
council on  
Craugh  
of the  
of the

ected a  
in 1951  
le was  
ent in



## SIMPLE FORMULA FOR GETTING AHEAD FASTER

Getting started in the insurance business often seems discouragingly slow. Yet ambitious agents have found there is a practical way to speed up their progress and earnings. *Attend the Aetna Agents' Multiple Line Training School.*

In a recent speech on this subject, Richard D. Teubner of the Rich & Cartmill agency, Tulsa, Okla., said:

"There is one absolute must for any young agent. That is thorough knowledge of the business. Sales ability, personal contacts, that sort of thing, are all secondary. Knowledge of the business is primary.

"It cost me time and money to attend the Aetna Agents' School, but it was the best thing I ever did. In seven weeks of intensive schooling, I learned more than I could through many years of experience.

"A young agent cannot hope to gain the confidence of a business man 20 years his senior unless he can convince

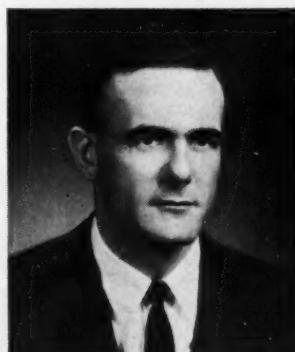
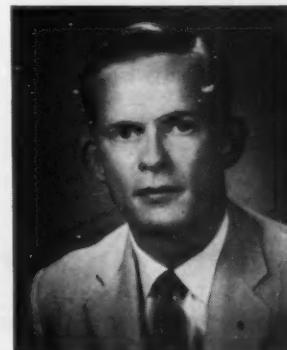
him that he knows his business... I will be the first to state that any success I enjoy in the years to come can be directly attributed to those seven weeks at the Aetna School."

Instruction at the School is by means of lectures followed by classroom discussions and demonstrations, plus homework assignments and written tests. Considerable time is devoted to sales techniques, and members of the class have the opportunity to observe and demonstrate tested methods. Emphasis is placed on modern broad form policies such as Homeowners, Comprehensive Liability and new criminal loss coverages.

Agents of the Aetna companies and men associated with them are eligible for admission. Your local Aetna fieldman will be glad to furnish further information about the school, or write Educational Dept., Aetna Insurance Company, 55 Elm Street, Hartford 15, Conn.

Richard D. Teubner,  
Partner  
Rich & Cartmill  
Tulsa, Okla.

Mr. Teubner is a graduate of the University of Oklahoma, was a lieutenant in the Air Force, and entered the insurance business in 1953. He is secretary of the Tulsa Will Rogers Rotary Club, a member of the executive board of the Tulsa Insurance Board, Oklahoma Association of Insurance Agents and the National Association, and is a popular speaker on insurance.



David L. Tuttle, Jr.  
R. P. Smith and Son  
Woonsocket, R. I.

Mr. Tuttle entered the insurance business with his present firm following service in the U. S. Marine Corps. Relative to the Aetna Agents' School, he says: "The training I obtained there was an invaluable asset in becoming established in the insurance business." Mr. Tuttle is a U. S. Marine Corps Reserve Officer. He is married and has three children. His hobby is photography.



ÆTNA INSURANCE COMPANY

55 ELM STREET HARTFORD 15, CONNECTICUT

Clinton L. Allen, President



STATE FARM V-P SEES

## Agency Insurers Making Changes To Close Auto Insurance Price Gap

The price advantage of independent insurers in the fire and casualty business will be "substantially eliminated" within a few years, Thomas C. Morrill, vice-president of State Farm Mutual Auto, told the north central CPCU institute at Bowling Green University. He said there will be just as much competition "and probably more," but there won't be high-priced competition.

Current changes, either actual or advocated, on the part of the agency system companies, will be largely

responsible for the closing of the price gap, Mr. Morrill said. He described these changes as "emulation" by the agency companies of the direct writer approach. They are:

1. Reduction of selling costs.
2. Organization of separate companies to feature lower rates, lower commissions and competitive operating plans.
3. Representation of low-rate, low-commission companies by agency system agents.
4. Continuous policies.
5. Direct billing and collection of premiums.
6. Semi-annual premiums.
7. "Road Aid" and similar plans to afford agency service to traveling policyholders.



Thomas C. Morrill

8. National advertising programs.
9. Life insurance facilities for fire and casualty companies.

"It would be a mistake to read these changes as a source of satisfaction for the independent companies," Mr. Morrill remarked. "Life is always much simpler for an aggressive operation when the competition stands pat. The more we emulate each other, the less advantage either side will have."

Mr. Morrill's theme was that the exclusive agent representation (direct writer) system is the one best equipped to meet the insurance needs of the mass market. He made a comparison of the direct writer plan with the agency system on the score of underwriting, policyholders service, claim handling, advertising, operating methods, and agency compensation, contending that it is on the pivot of exclusive versus non-exclusive representation that the marketing issue turns. "No other factor so de-limits the marketing of insurance, the role of advertising or its effectiveness. No other factor so affects service to policyholders, underwriting efficiency, claim

(CONTINUED ON PAGE 20)

## Lewis Succeeded As Springfield Head In Canada By Kemp

Llewellyn L. Lewis, vice-president of the Canadian department of Springfield F&M. group, is retiring. John B. Kemp, assistant manager of the department at Toronto, has been advanced to manager and succeeds Mr. Lewis as administrative head of the Canadian operations.

Mr. Lewis joined the group as Canadian manager in 1949. He formerly was with North America as fire manager for Canada. He was elected secretary in 1950 and vice-president in 1952. He has been president of Canadian Underwriters Assn. and vice-chairman of its fire committee, councilman of Dominion Board, a member of the executive committee of All Canada Insurance Federation, president of Underwriters Laboratories and chairman of its planning committee and a member of the executive committee of Canadian Inland Underwriters Conference.

### Honored With A Dinner

The company gave a dinner in his honor at the National Club in Toronto. Many of his Toronto associates attended as well as Vice-president Herbert P. Almgren of the home office.

Mr. Kemp joined the company in Toronto in 1949 as inland marine superintendent and advanced to assistant manager this year. He is a member of the multi-peril executive committee of Dominion Board and is a member of the correspondence course and examination committees of Insurance Institute of Canada.

## Battle Advanced By Arson Department

National Board has advanced Brendan P. Battle from supervising agent of the arson department to assistant manager. He joined National Board in 1945. Prior to that he was an assistant football and track coach at Manhattan College, and from 1941-1944 a special agent of the FBI. Mr. Battle is co-author with Paul B. Weston, an inspector of the New York police department, of a book on detection and investigation of arson.

The Los Angeles offices of Long & Levitt, insurance law firm of San Francisco and Los Angeles, have been moved to the Texaco building, 3350 Wilshire boulevard. William H. Levitt is partner in charge at Los Angeles.



## UNUSUAL OR HAZARDOUS

No, we don't insure  
Swiss mountain climbers—but  
we do have the finest cover-  
age you can get on these  
items, to name just a few:

**LONG HAUL TRUCKS • BUSES**  
**PRODUCTS • GENERAL LIABILITY**  
**BUTANE • TAXICABS**  
**ANHYDROUS AMMONIA**

Our automatic treaties combine, on a quota share basis, American Stock Companies and Lloyds, London providing maximum strength and security. Contact any of our ten offices for quick information.

## HOMER BRAY SERVICE, INC.

303 EIGHTH ST. N.W. • P.O. BOX 1708 • PHONE 3-4561 • ALBUQUERQUE, NEW MEXICO

## CENTRAL CASUALTY COMPANY

208 SOUTH LaSALLE ST. • PHONE STATE 2-3200 • CHICAGO 3, ILLINOIS

CONTACT THE OFFICE NEAREST YOU

ALBUQUERQUE, NEW MEXICO  
303 8th Street, N.W.

ATLANTA, GEORGIA  
70 Fairlie Street, N.W.

CHICAGO, ILLINOIS  
208 South LaSalle Street

DALLAS, TEXAS  
2506 Cedar Springs Ave.

DENVER, COLORADO  
904 Gas & Electric Bldg.

LOS ANGELES, CALIFORNIA  
2412 West 7th Street

LOUISVILLE, KENTUCKY  
444 South Third Street

OKLAHOMA CITY, OKLAHOMA  
534 Commerce Exchange Bldg.

ST. LOUIS, MISSOURI  
111 North 4th Street

SALT LAKE CITY, UTAH  
1315 Continental Bank Bldg.



**OTIS CLARK & CO.**

**Reinsurance**

**FACULTATIVE**

**TREATY**

**EXCESS**

206 SANSCOME ST.  
SAN FRANCISCO 4  
PHONE EXBROOK 2-8168

## Four Are Advanced By Casualty Group

Richard C. Wagner, formerly manager of the casualty department and associate counsel of Assn. of Casualty & Surety Companies, has been elected assistant general manager. Robert N. Gilmore Jr., formerly associate counsel was elected general counsel to succeed Ray Murphy, who has retired. Marcus Abramson, formerly associate counsel, was elected assistant general counsel. Andrew Kalmykow, formerly assistant manager of the association's casualty department, was elected to succeed Mr. Wagner.

### Careers Of Appointees

In 1937, after a period of private law practice, Mr. Wagner joined the staff of the association as an attorney. He was elected manager of the casualty department in 1944 and was appointed assistant counsel, in addition to his other duties, in 1948. He was made associate counsel in 1957.

Mr. Gilmore joined the law department of the association in 1938. After coast guard service in World War II, he returned to the association as an attorney in 1945. He was made assistant counsel in 1950 and associate counsel in 1957.

Mr. Abramson, a member of the New York bar, has been with the association and its predecessor organization for more than 30 years, advancing from lawyer to assistant counsel and, in 1957, to associate counsel. He is chairman of the financial responsibility committee of International Assn. of Insurance Counsel.

Mr. Kalmykow joined the law department of the association in 1935. In 1944 he was made assistant manager of the casualty department.

### America Fore Names Three At Dallas

America Fore has appointed Adolph W. Beckmann and Aubrey D. Jackson, formerly assistant secretaries, secretaries of the fire companies, and William E. Allen, formerly agency superintendent, assistant secretary of the fire companies, all at the southwest department, Dallas.

Mr. Beckmann joined America Fore in 1928 at the home office, in 1930 he assisted in the opening of the southeast department in Atlanta, and was assistant examiner for Florida and Georgia. Later he was examiner for Virginia and North Carolina, was examiner for Texas 1943-53, and when the southwest department was established in 1954 was appointed agency superintendent. He became assistant secretary in 1956.

### Began With Texas Department

Mr. Jackson began in insurance in 1933 with the Texas department and later was with Texas Insurance Checking Office. He joined America Fore in 1937 as a special agent in northeast Texas. He transferred to the engineering department as assistant engineer in 1938 and later transferred to Arkansas as special agent. He became general adjuster for the southern states in Atlanta in 1948 and agency superintendent there in 1953. Later that year he transferred to Dallas and became assistant secretary in 1956.

Mr. Allen joined the group in 1941. After army service he returned as an examiner in the automobile and inland marine departments at Atlanta. In 1948 he became special agent in

Mississippi and a year later transferred to Louisiana. He became state agent in Louisiana in 1953 and agency superintendent at Dallas in 1956.

### Uphold Ruling N. Y. Hit Run Victim Not Covered By N. J. UJF

New Jersey supreme court has upheld a ruling that the state's unsatisfied claim and judgment fund does not cover New York motorists killed in hit and run accidents in New Jersey.

The decision was given in a recovery action brought by the estate of Robert Betz of New York who was killed in Sparta Township, N. J. in 1956. The estate contended that all hit and run victims—not only qualified persons defined in the law—could file against UJF for recovery. Qualified persons are defined as residents of the state or of another state with a law affording protection similar to that of New Jersey. The high court said that not all hit and run victims were covered and that New York did not afford matching protection.

### N.Y. Agents Hear Costs Wipe Out Higher Income

Lawrence F. Smith, director of education of National Assn. of Insurance Agents, presented preliminary figures from the current NAIA program up-dating its cost study, to more than 50 agents who attended New York state association's annual management school at Rackett Lake, N.Y. The figures indicated that increasing income is being offset by increasing costs, that the agents' profit factor has not increased in the past five years and can be wiped out by projected commission cuts.

Eugene A. Toale, associate manager of Home's metropolitan department, and former education director of NAIA, outlined modern procedures for more effective agency operation at reduced costs. Victor T. Ehre, president of Buffalo, explained what the companies are doing about their own expenses, and Roy A. Duffus of James Johnston agency, Rochester, spoke on "How To Be A Better Agent." Herbert S. Brewer of Lockport, president of the association, closed the school with a message from the organization.

### Agents See Changes Needed But Resist Carrying Load

Delta Fire & Casualty of Baton Rouge has received the results of an agency survey regarding commissions, renewal certificates in place of policies, competition from direct writers, the handling of small claims by the agents, etc.

Tabulation of the results indicates that approximately 95% of the agents contacted think that it is necessary to make changes in the handling of automobile liability. Approximately three-fourths of the agents who considered changes necessary feel that the additional work for the reduction in commissions is not for them.

### N. Y. Alumni Assn. Elects

Alumni Assn. of Insurance Society of New York elected the following officers at the annual meeting and banquet in New York City: Charles F. McCarthy of Atlantic Mutual, president; Roderic O. Kreuser of Prudential of Great Britain, and Marie L. Duhig of F. K. Gaston, vice-president; John D. Kempter of Royal-Globe, secretary, and Jack Giannelli of New York Underwriters, treasurer.

### Wilson Is Assistant V-P Of American

American has elected David H. Wilson assistant vice-president. A superintendent in the head office operations department for four years, he will assume new duties as administrative executive for a territorial division of the company's field operations. He joined the group in 1938 as a special agent at Kansas City and later held administrative positions in Detroit and then in Dallas, where he became assistant branch manager in 1952.

### Zurich To Write Boiler And Fidelity

Zurich is entering the fidelity and boiler and machinery field July 1. These lines have been handled by the affiliated American Guarantee since 1939.

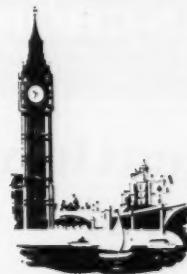
American Guarantee in 1957 had more than \$800,000 in fidelity premiums, and in boiler it was among the first 10.

With Zurich writing the fidelity and boiler lines also, its multiple line facilities will be rounded out.

## Stewart, Smith (Illinois) Inc.

141 WEST JACKSON BOULEVARD  
CHICAGO 4, ILL.

*consulting brokers  
to the insurance industry*



LONDON • NEW YORK • CHICAGO • MONTREAL

## YOUR FUTURE AND OURS

A look ahead with Kansas City Fire and Marine



### EASY CHAIR AGRICULTURE

Tomorrow's farmer may work half a dozen fields at one time—operating equipment from a remote control panel and overseeing the work via television. Electronics will help him work faster, plant or harvest entire acreage under the most favorable conditions.

### FOR YOUR GROWING BUSINESS

Speed is essential in the insurance world, too—in payment of claims, in obtaining help with the problems of your assureds. For fast, professional service, count on Kansas City Fire and Marine, located "right next door" to you in the Heart of America.

A progressive company for progressive agents.

**Kansas City Fire and Marine**



**ANCHOR**  
CASUALTY COMPANY  
SAINT PAUL 14, MINNESOTA

## Diversification Pays!

### AMMUNITION TO UP YOUR SALES CURVE

Anchor has developed a sound, rule-of-thumb for diversification of business. Why not use it as a guide?

Automobile.....	45%
Fire and Allied Lines, incl. Misc.....	30%
Workmen's Compensation.....	8%
Gen. Liability & Prop. Damage.....	8%
Burglary & Glass.....	3%
Fidelity & Surety.....	6%

SEE YOUR ANCHOR MAN FOR HELPFUL ASSISTANCE

Today's answer to increased income lies in broadening your sales horizon. New—and previously unsold—lines bring new prospects . . . give you an automatic safeguard against increased competition and present markets. You'll find plenty of ammunition in Anchor's multiple line facilities—PLUS its three new packaged coverages: Motel Owner's, Automatic Laundry Owner's and Combination Service Station policy.

## Public Thinks Auto Suits "Gold Mine In The Sky," Judge Says

WASHINGTON—District Judge Matthew F. McGuire told the American Bar Assn.'s special committee on improvement of administration of justice in the District of Columbia that the public considers automobile damage suits "gold mines in the sky." As long as people believe large verdicts are available they will want to get into the courts to have juries hear their cases, he said.

Judge McGuire, who is chairman of the committee on docket acceleration, said that the "real culprit causing the unhealthy situation of congested court calendars is the automobile." This problem will solve itself, he said, when America solves the problem of the auto.

"Can we allow this monster of the streets and highways to devour the courts as it has devoured the cities?" he asked. The mere number of cars on the streets implies the inevitability of contacts, and he added, "90% of civil cases filed in this jurisdiction arise out of personal injuries from the automobile, a number that grows every year."

## America Fore In New Jacksonville Offices

The America Fore companies have moved Jacksonville, Fla., headquarters to the new America Fore Loyalty group building at 525 Laura street. The companies will occupy the three lower floors of the four story building, about 18,000 square feet, as well as a portion of the 2,300 square foot basement for storage area.

Samuel F. Scattergood is resident manager.

## Rollins Burdick Hunter Expands Eastern Facilities

Rollins Burdick Hunter Co., brokers and average adjusters, expanded its brokerage service facilities in the east when the firm of Barry & Powell became a division of the company.

Harry L. Powell and George C. Barry Jr. have been elected vice-presidents of RBH. Mr. Powell will head the Barry & Powell division, with offices at 116 John street, New York. Mr. Barry will be active in the west coast division, both in San Francisco and Los Angeles.

John A. Howell, long associated with Barry & Powell, will continue his activities with the Barry & Powell division.

## Curtin General Counsel

American Casualty has appointed Thomas P. Curtin as general counsel. He began in 1929 as claims examiner for Royal Indemnity and in 1934 joined Fireman's Fund as trial attorney. From 1947 until May, 1958 he was attorney of record and counsel in that company's eastern department.

## Agents Get Argonaut "Score Card"

Argonaut of San Francisco has sent its producers an advertising piece designed to look like an official souvenir baseball program. Titled "Producer's Official Score Card," the humorous 8-page, 2-color brochure lists in its lineup of "players" a team of Argonaut claim men, safety engineers, underwriting executives and other management people, together with their unofficial nicknames.

Argonaut has found humor to be a big help in making its sales messages more effective. It sends valentines and Halloween cards to its producers each year.

## Sees Some Producers As Overpaid, Others As Not Paid Enough

Insurance men must be prepared to make concessions for the common good, John C. Weghorn, New York City agent, told the insurance section of Young Men's Board of Trade at a luncheon meeting in New York.

No agent or broker wants to give up commissions on business he has procured, he said. "But when losses are running high, expenses are soaring and competition is at its keenest, no salesman can stick rigidly to a standard of remuneration which does not take the economic facts of life into consideration. And by the same token, no company can afford to look only at commissions as a source for curbing costs."

There must be a willingness on the part of all concerned to sit down together at the meeting table and work things out. Agents and brokers must do a job commensurate with the commissions they receive, and companies must stop paying high commissions to agents and brokers who don't do the job for which they are paid, he declared.

## Increase Commissions For Service

However, where agents and brokers are performing a greater service than they are being paid for, their commissions should be increased, he stated. While practically every insurance speaker calls upon producers to justify their service, with the implication that they are not doing so, hundreds of brokers and agents over the country are performing more services for insured than ever before in the history of the business.

Mr. Weghorn said he was a little tired of hearing insurance leaders, from producing ranks as well as company ranks, constantly directing their fire at agents and brokers. "In no other business that I know of are the salesmen made the whipping boys for the major ills of the business as are the producers in the insurance industry," he said.

Today's producers are much more conscious of their own responsibilities and the many problems facing the industry than ever before, he believes.

## Underinsurance A Challenge

He called upon producers to give particular attention to the problem of underinsurance. This is a challenge and an opportunity for the young men in the business. There is a tremendous market for additional premiums.

He said there is a great emphasis on the "insurance supermarket" and a "one-stop for everything" approach. This is, in fact, the trend that all business is taking today. There is no reason why the insurance industry should not follow suit.

He cited the increasing trend toward life men selling property insurance and vice versa. He believes that the energetic and resourceful producers from both fields will do well, but the general insurance man does have an edge. He has just about all the information he needs to know about a prospective life customer right in his own files, whereas the life men have to go out and dig up these facts.

## GAB Promotes Van Landingham

General Adjustment Bureau has promoted J. L. Van Landingham from adjuster at Duncan, Tex., to manager of the Woodward office. He has been with the bureau since 1950, and replaces B. P. Nabors, who is being transferred to the Bryan branch.

July 4, 1958

## Drops Robert E. Lee But Recovers Costs

Louisiana supreme court has reversed a district court and ruled that insured did not violate the no action clause of a liability policy by settling a claim against it, since the insurer's unjustified denial of liability relieved insured of its contract obligation not to settle the claim.

Action was brought by Thomas W. Hooley & Sons, New Orleans contractors, against Zurich. The case is reported in 9 CCH (Fire & Casualty) 591.

### Firm Repairs Damage Itself

The Hooley firm was engaged by the city of New Orleans to dismantle a statue of Robert E. Lee and the supporting stone column. A portion of the column fell from a crane and damaged ornamental iron work and several granite slabs situated at the base of the monument. Zurich denied liability for damages on the grounds that the damaged property was under the care, custody or control of insured and excluded from coverage. On the company's refusal to pay, the Hooley firm proceeded to repair the damage itself and was able to do so more economically than if the bid had been let out. Furthermore, Hooley, with the knowledge and approval of Zurich tried, although unsuccessfully, to shift ultimate legal responsibility for the damages from himself and thus from the insurer to the lessor of the crane involved.

Hooley brought suit against Zurich to recover \$4,870—the cost of repairs. At the trial the company renewed its contention that the damaged property was excluded from coverage and also said that Hooley violated the no action clause by voluntarily settling or paying the claim against it prior to final judgment obtained by the third party. The trial court sustained this argument and dismissed Hooley's suit.

### Prior Cases Cited

The high court however, held that the company's use of the exclusion clause was without factual or legal merit. It said that Hooley's dismantling contract concerned the Lee statue and its supporting column and did not include the base of the monument upon which the column rested or the ornamental urns at the corners of the base, one of which was accidentally damaged and became the subject of the suit. Prior cases cited held that damaged property or premises merely incidental or adjacent to the contracted object upon which work is being performed by insured, is not within his care, custody and control for purposes of the exclusion clause in question even though he might be permitted access thereto during the performance of his contract.

The court further held that Zurich's unjustified denial of liability relieved Hooley from the contract obligation not to settle the claim. Finally the court said that Zurich's denial entitled Hooley to a 12% penalty in addition to the amount he demanded.

## Aetna Fire Agency School Has Graduating Class Of 21

Clinton L. Allen, president of Aetna Fire, addressed graduates of the company's multiple line training school for agents at a luncheon in the Hartford Club. The class included 21 agents from 14 states and the District of Columbia. The seven week course was held in the new home office for the first time.

## Agents' Costs Go Up With Losses, Rates

In a talk on commissions at the CPCU eastern institute at University of Connecticut, Alfred I. Jaffe, vice-president of Jaffe agency, New York City, said that some company men argue that the producer should not benefit from losses that drive both rates and commissions higher, and they feel that higher rates due to classification or territory should not create additional commissions. Producers also have effective arguments on their side, he declared. Their claim-handling costs go up in direct ratio to the number of claims, and higher claims costs cause higher overhead. Higher premiums mean more selling costs, as they create a greater target for the direct writer, and also cause more complicated and expensive office detail and financing and billing costs. Finally, higher classifications call for greater skill, effort, time and other intangibles in placing the risks in today's market, Mr. Jaffe asserted.

While he agreed that producers should not have a vested interest in losses, he felt that perhaps having their compensation a bit more on contingent commissions and perhaps a bit less on over-writing will bring the partnership closed together. The difficulty in this, he said, is that a great many losses are completely beyond the producer's ability to control.

"Some company men feel commissions should be based on sales effort," Mr. Jaffe continued. "Where there is a 'silent salesman' in the form of a compulsory law, etc., sales efforts are lessened and require less compensation." While recognizing the truth of this argument, he pointed out that some lines are under-paid because of silent competition.

### Complexities Of Business Increase

He stated that the amount of service required of producers should also affect commission level for various lines. Today's general broadening of forms has produced numerically more losses and endorsements in relation to the additional premiums generated. Increase in the complexities of the business—and business generally calls for greater skill and more time and these should be paid for, he said.

Approaching another phase of the problem, he remarked that many company officials agree that the problem is not so much to cut commissions as it is to have all producers measure up to the full responsibilities for which they are paid. "Too many local agents are more concerned with free blotters and the company of field men on every sales call than they are with earning their keep," he said. Part of the blame for this, Mr. Jaffe felt, must be placed with companies who made indiscriminate appointments.

On the question of how producers can avoid being penalized income-wise for improving risks and bringing rates down, Mr. Jaffe advocated more forceful use of agreements with insured to reimburse the producer for the percentage of savings over the years, which is done to a limited degree now and perhaps should be expanded.

He brought up the question of substituting a service fee for commissions. In general he did not think it would work since the public looks upon insurance as a business, not a profession.

**South Bend-Mishawaka Assn. of Insurance Women** has elected Miss Felix Esarey vice-president; Miss Nancy Olson secretary and Miss Ella Jovanich treasurer.

# 2-WAY SAVINGS for Homeowners and Tenants



**T**ODAY'S best insurance buy for the homeowner or tenant is the residence package policy which combines fire, theft, and personal liability protection.

The quick acceptance of the "all-in-one" package has, in fact, opened up the whole field of the residence and personal lines to those agents who do the systematic promotion required to inform and sell the many buyers of these coverages.

A feature of the Grain Dealers AGENCY PLAN is the wide selection

of advertising material that is available to producers to aid them in getting a full share of the residence package business. All of it points up the *two-way savings* our packages provide: through low initial cost, and savings through policyholder dividends. Backed by our 56-year record of dependability, it's a package that is hard to top.

Our special agents can show you examples of this field-tested promotional material. Better yet, how to put it to work in your community. See one of them soon.

**Grain Dealers Mutual**  
INSURANCE COMPANY  
INDIANAPOLIS 7, INDIANA  
Western Department: Omaha 2, Nebraska

FIRE • CASUALTY • AUTOMOBILE • INLAND MARINE

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★ ★

★ ★ ★ ★ ★ ★

# Fables FOR SAFETY

SECOND IN A SERIES

ONCE upon a time there was a town council facing re-election. In mending his political fences, one enterprising young office-holder noted that traffic violations in this locality had increased markedly during the past year. Careless driving was on the increase, he reasoned . . . or else the local constabulary had tightened their interpretation of town ordinances.

Instructions were issued post haste to relax enforcement of the less serious traffic violations. Here was an important voting segment, one that could not lightly be antagonized. The young man was returned to office by a wide margin.

The following year, this locality led all statistical categories covering auto mishaps in towns of like size. Insurance rates jumped. The resulting voter discontent led to the election of a brand new town council.



**Moral** Traffic administration is like education. It functions best when divorced from politics.



SERVING AMERICA THROUGH THE AMERICAN AGENCY SYSTEM

## ALL RISKS COVERAGE

Physical Damage

FOR INDUSTRY  
MANUFACTURING  
COMMERCIAL  
MERCANTILE

MULTIPLE OR SINGLE LOCATIONS

Write or call for proposal forms

175 W. Jackson Blvd.  
WAbash 2-7577Chicago 4, Ill.  
CG 2785GRIFFITHS,  
TATE, LTD.

T. C. Anderson, V.P.

## High Pressure Sales Fleischhauer, V-P Needed, IAAHUTold Of Fund, Resigns

America's high standard of living is related to high pressure, Sig Stottrup, district manager for Mutual Benefit H.&A. in Decatur, Ill., told the annual convention of International Assn. of A&H Underwriters. "We are living under high pressure and it takes pressure on the part of the salesman to get through to the prospect," he said.

There is a tremendous need for effective selling at this time, Mr. Stottrup stated, and noted that experts figure the public has \$300 billion in savings that could be spent for insurance.

"The canned sales presentation is dangerous in the hands of the beginner," he said. "What you don't know won't hurt you, is the old adage. But a more modern interpretation is that it will kill you—at least it will kill your sale. Until the agent has learned how to use the sales tract, it is a dangerous weapon. In one way, if a sales presentation works, it is obsolete. Once it is mastered, there must be continual improvement."

### Prepared Sales Talk Best Tool

Mr. Stottrup said a good prepared sales talk, well-mastered is the most effective tool to build sales pressures, and he described the technique of sending an empty envelope, marked urgent, to a prospect. Follow up in a day with a telephone call and ask if the letter has been received. The prospect says yes, but there was nothing in it. Answer: this is exactly what you would be able to send the man if he were disabled by an accident or illness, because he is not insured with you.

Noting that today almost everyone has built-in resistances he said it is a serious mistake on the part of the salesman to over-dignify objections and resistances. The prospect, when he offers them, doesn't really know whether they are valid; consequently, the salesman, by giving too much attention to them, can build them into a real roadblock against the sale.

In conclusion, Mr. Stottrup urged all agents to take advantage of the various lists available—policyowner's lists, claim payment lists. Before people buy, they like to know that the proposition you are offering has actually worked and that other people have thought enough of it to buy it, he said.

### Aikin Heads New Conn.

### Claim Office Of Hartford

Hartford Fire has opened a claim office in the Dewart building, New London, Conn., and has named Frank R. Aikin Jr., resident adjuster there, as manager. With the company for 25 years, he has also been at Hartford, Boston, Youngstown, Ohio, and Springfield, Mass.

### Agency Hits Century Mark

The L. J. Kleb agency of Cairo, Ill., is marking its 100th anniversary.

The agency was founded by A. B. Safford and I. H. Morris and continued under their management until 1863. H. H. Candee joined the agency and it became Safford, Morris & Candee. In 1879 the name was changed to H. H. Candee, and in 1897 to Candee & Sons. In 1907 the agency became the Candee agency, and in 1914 Leo J. Kleb became a member of the firm and it was known as Candee & Kleb until 1923 when Mr. Kleb took over the entire agency. Mr. Kleb died in 1936 and the agency has been continued by his wife, Nell S. Kleb, continuing under the name of L. J. Kleb agency.

President James F. Crafts of Fireman's Fund has announced the resignation of vice-president Arthur T. Fleischhauer, who has been manager of the group in the east, with headquarters at New York, since 1956.

Until a successor to Mr. Fleischhauer is named, the operations of the Fund in the east will be under the management of vice-president John H. Dillard, senior territorial officer. Mr. Dillard will continue to exercise his executive responsibilities in Canada as well as in New England and the southern states.

### Standard Accident Names Van Lehn F. & M. Manager

Standard Accident has appointed Leslie Van Lehn fire and marine underwriting manager in San Bruno, Cal.

Mr. Van Lehn began as assistant underwriter with New Zealand in 1929. He was fire underwriting superintendent of Providence Washington until joining Standard Accident in the same capacity last January.

### Mutuals Raise M&C Rates

Mutual Insurance Rating Bureau has increased BI rates for M&C in Iowa by 7.3% and in Ohio by 10.3%, effective June 25. In Ohio the payroll limitation rules of the M&C manual have been revised to make them consistent with the recent changes in the comparable rules applicable to workmen's compensation.

Personal Accident Protection  
for Select Risks at  
Modest Cost

The same initials.

The same management.

The same old-fashioned friendliness and sympathetic understanding.

The same liberal contract at the same low cost.

Only the name has been changed.

**Iowa State Travelers**  
MUTUAL ASSOCIATION  
DUTTON STAHL, President  
DES MOINES

FORMERLY IOWA STATE TRAVELING  
MENS ASSOCIATION

### MANAGING GENERAL AGENTS

Braerton, Simonton, Brown,  
Inc.  
740 Gas & Electric Building  
Denver  
Phone Acoma 2-4851

## Flynn And Smoyer Consolidate Their Two Brokerage Firms

The brokerage business and personnel of the Loren W. Smoyer Co. of Forest Hills, N. Y., has been integrated with the organization of F. J. Flynn.



Loren W. Smoyer



Fred J. Flynn

Associates, Garden City, L. I. The two firms have specialized in the servicing of larger commercial and industrial accounts. Mr. Flynn is president of the combined operation and Mr. Smoyer is treasurer. Both are CPCUs and both are graduate mechanical engineers. Mr. Flynn long has been active in insurance educational work.

F. J. Flynn Associates also has been approved by the New York insurance department as an insurance consulting firm. Known as general insurance specialists in the heavy industrial field, including construction, manufacturing and transportation, it serves clients who conduct world-wide operations.

Main office of the merged firm will be in the Flynn Associates building at 224 Eleventh street, Garden City, to which all the larger industrial and commercial business of the Smoyer organization has been transferred. The Forest Hills office of the Smoyer organization continues at its present location as a separate division of Flynn Associates, to handle personal and small commercial accounts. This office will be under the management of Ernest F. Bodamer, recently elected vice-president of the Smoyer Co.

### Zurich Ups Two On Coast

Zurich has promoted Richard A. Mallett to agency supervisor at San Francisco and Robert A. Gabrelcik to district group manager at Los Angeles.

Mr. Mallett has seven years of experience in underwriting and production. He joined Zurich in 1954 in San Francisco.

Mr. Gabrelcik joined the companies in Los Angeles in 1952. He was promoted to group service representative in 1953, and became a group sales representative in 1955.

## \$56,000 Fellow-Employee Judgment Shows Auto Insurance Limitations

LITCHFIELD, Conn.—A \$56,000 personal injury judgment in superior court here is certain to arouse comment in automobile insurance circles.

The verdict, in favor of P. P. Brutz, New Milford, was against a fellow employee, Ernest Vincent. Brutz had already collected a workman's compensation award. Both parties were employees of New Milford Foundry & Machine Co. They were returning to New Milford after working in Roxbury, with Vincent driving. The truck skidded and turned over, causing injuries which put Brutz in the hospital for over three months and apparently will cause permanent disability and reduction in Brutz's earning power.

The driver had no applicable insurance protection. He owned a private passenger automobile, which was insured under the family automobile policy, but the non-owned automobiles feature did not apply here, because he was driving a truck and the policy covers only use of private passenger automobiles in the insured's business. New Milford Foundry & Machine Co. had liability insurance on the truck, but Vincent was not covered under that contract, either, because the "definition of insured" states that, as to anyone but the named insured, there is no coverage for an employee as to a claim by a fellow-employee arising out of an accident in the business of the employer.

### Companies Unhappy About Coverage

This case will undoubtedly be used as a sales argument for extended non-owned automobile coverage under the family policy or, in some cases, broad drive other cars coverage under the basic policy. At the same time, some producers have already reported unwillingness of companies to accept this coverage. The fellow-employee exclusion has been in automobile liability policies ever since provisions were standardized in 1935. Its presence is based largely upon a belief that suits of this type will not be brought unless there is an insurance company in the background to pay a judgment. This case indicates that such suits may be brought with deadly effect even without insurance.

### Producer Exams In N. J.

A bill to require producers to complete an educational course established by the commissioner before they can be licensed has been signed into law in New Jersey.

## MOTOR'S

# CRASH BOOK SERVICE

all the information  
you need to make fast,  
accurate, appraisals of  
auto collision damage.



**1 SPEEDS ESTIMATING TIME.** Estimates can be made or checked faster with Motor's easy-to-read, easy-to-use CRASH BOOK SERVICE MANUAL than with any other pricing system.



**2 FREQUENT, PROMPT, UP-TO-DATE REVISION SERVICE** on parts prices and flat rates make for more accurate, on-the-spot appraisals.



**3 MAKES PARTS IDENTIFICATION EASY.** Supplies the greatest available number of parts pictures, frame dimensions and major assemblies . . . plus complete information for identifying car models and body styles.

Write today, for full information — to:

**MOTOR**  
CRASH  
BOOK  
SERVICE

250 West 55th Street, New York 19, New York  
PUBLISHED BY THE HEARST CORP.

**MARSH & MCLENNAN**  
INCORPORATED

**Insurance Brokers**  
CONSULTING ACTUARIES  
AVERAGE ADJUSTERS

Chicago New York San Francisco Minneapolis Detroit Los Angeles Boston  
Pittsburgh Seattle St. Louis Indianapolis St. Paul Portland Buffalo Duluth  
Atlanta New Orleans Tulsa Milwaukee Phoenix Cleveland Norfolk  
Washington Montreal Toronto Vancouver Calgary Havana Caracas London

# REINSURANCE

Through Intermediaries Only

**FIRE—CASUALTY**

**THE STUYVESANT INSURANCE COMPANY**

Executive Offices  
1105 Hamilton St., Allentown, Pa.  
HEMLOCK 5-3541

Reinsurance Department  
309 West Jackson Blvd., Chicago 6  
WAbash 2-7515



... service is one of the most worked over—and overworked—words in the insurance business. Yet when it is put into practice and not merely talked about, it is also one of the most valuable. Service is primarily what you have to sell, and your clients have a right to expect it. Similarly, you have a right to expect service from the home office and from the special agent who calls on you. With PLM you get it. That's why we believe you'd be profitably happy representing PLM. Why not drop us a line.

plm

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY  
PLM Building • Philadelphia 7, Pa.

Branch Offices in New York, Los Angeles, Charlotte, N.C.

25 Years  
of outstanding personal service to insurance companies.

A. E. STRUDWICK CO.  
REINSURANCE BROKERS

Exclusively

810 Baker Building  
Minneapolis 2, Minnesota  
Federal 9-5847

208 South LaSalle Street  
Chicago 4, Illinois  
CEntral 6-9141

## AAU Names Scarritt, May To New Posts

Associated Aviation Underwriters has named Daniel deR. M. Scarritt, manager, to the newly created post of



Byron B. May



Daniel Scarritt

president. Byron B. May, assistant manager, was elected executive vice-president with full administrative authority.

James Cozzie, L. Wallace Sweetser Jr., and William W. Walter were named vice-presidents. Mr. Cozzie has been senior underwriter at New York. Mr. Sweetser has been west coast manager, supervising the Los Angeles and San Francisco offices, and Mr. Walter has been midwest manager, supervising Dallas, Chicago, Kansas City and Atlanta.

Mr. Scarritt, the dean of aviation underwriters in point of service, wrote the first policy on airlines for American stock companies in 1928 when he became aviation manager of Transportation Insurance & Indemnity. Prior to that he had been an inspector and later chief of the regulations division, aeronautics branch of the Department of Commerce, forerunner of Civil Aeronautics Administration. In 1929 he became manager of the aviation department of Independence in Philadelphia. In 1931 he joined Associated as manager.

Mr. May began in 1923 with Chubb & Son in New York City and became an assistant secretary of Federal. He joined AAU in 1944 as assistant manager.

Commenting on the underwriting picture, Mr. Scarritt said that the delivery of the new \$5 million jet transports to the airlines is expected to begin this fall and early winter. These transports have a capacity of 100 or more passengers and represent a material increase in exposure over the present maximum catastrophe risk. Such risks must be handled through a multi-company office if domestic air lines are to receive adequate facilities in the American market, Mr. Scarritt stated.

## Watson In Boston Marine Post For Atlantic Mutual

Atlantic Mutual has named David E. Watson as marine manager at Boston. He joined the companies in 1947 and became an inland marine underwriter in the home office. In 1952 he went to Pittsburgh as marine manager.

## Roane Adjusts Firm Name

John D. C. Roane, whose Baltimore adjusting firm has been operating for two years as Allied Adjusters, will revert to the former title of John Roane, due to confusion of identity with other interests operating as Allied Adjusters. That title, however, will be retained on office doors and in telephone directories for at least two years for the convenience of the companies listing it in claims directories, Mr. Roane stated.



Hunting for big game? Those jumbo risks mean added income for the "go-getter". Good aim is important but you need the right kind of ammunition and plenty of it. You'll appreciate the kind of support Millers National and Illinois Fire can give you on those important cases. Our special brand of personal service, field assistance and sales aids can help you hit the target.

Meet the challenge of competition head on. Make 1958 a banner year.



## THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

Inve  
Sub  
The  
writ  
Co.  
cover  
through  
under  
factory  
awards  
and  
proxim  
the val  
to pur  
of wag  
thievin  
upholc  
appeal  
In t  
factur  
claim  
in 194  
busin  
so dur  
Shortl  
large a  
The C  
Many  
install  
machin  
process  
moved  
sary  
leadin  
and  
Pilfer  
time  
but t  
trivia  
Five  
Fin  
plant  
barre  
to th  
barre  
suspi  
smok  
Fresh  
were  
The  
for i  
other  
Maid  
Harr  
charg  
princ  
Th  
evid  
mate  
shou  
culpr  
the  
regar  
been  
was  
Man

## Inventory Shortage Under 3-D Contract Subject Of Court Ruling In Packing Case

The U. S. Supreme Court has denied writ of certiorari to Sucher Packing Co. of Cincinnati which failed to recover \$146,370 with interest for loss through theft of meats by employees under a 3-D policy issued by Manufacturers Casualty. The trial court awarded the packer \$83 with interest and costs which represented the approximate difference between \$291—the value of specific stolen meat traced to purchasers—and \$208—the amount of wages the company withheld from thieving employees. This ruling was upheld by the sixth circuit court of appeals.

In the suit brought against Manufacturers Casualty, Sucher Packing claimed that when it was acquired in 1945 by a group of investors, the business was profitable and continued so during the first part of that year. Shortly thereafter it began to suffer large and unaccountable losses of meat. The company claimed to have used many methods of detection, including installation of modern business record machines, weight checks of meat being processed in one plant location and moved to another, blocking of unnecessary openings within the plant and leading out of it, hiring extra guards, and employing private detectives. Pilfering was detected from time to time and employees were discharged, but these instances were considered trivial.

### Five Held For Investigation

Finally in September, 1950, the plant superintendent noticed a new barrel on the trash truck backed up to the loading dock. Since only old barrels were used for trash, he became suspicious, investigated and found smoked hams under a layer of trash. Fresh shoulder butts hidden in papers were found on the floor of the truck. The driver, William Harris, was held for investigation and implicated four other employees, James Jackson, Robert Maiden, Helen Hurt and Willie Early. Harris and Jackson were arrested, charged with grand larceny and imprisoned. The others were absolved.

The jury noted that there was no evidence to determine even an estimate of the number of pounds of hams, shoulders and bacon stolen by the culprits. The jury showed disbelief of the conflicting testimony of Harris regarding the length of time he had been stealing from the company, which was an important point in view of Manufacturers Casualty contention

that the packer had not sustained large losses through employee thefts. Jackson allegedly made a written confession which the packer did not produce. Testimony allegedly given orally to Jackson to a private detective that he had been stealing for five years was not admitted. Jackson would not testify in court, pleading the fifth amendment.

### Many Exhibits Found In Error

The packing company made numerous changes in its complaint during trial, switching the nature and amounts of meat allegedly stolen, and finally making an allowance for consumption by employees in the company cafeteria of meat previously said to have been stolen. Exhibits presented to the jury were found in error, withdrawn, replaced by substitute data and withdrawn again when these were found in error. No proof was advanced to establish the amounts stolen in the individual years in question.

In addition to seeking recovery for theft, the packer also originally sought reimbursement for that part of inventory shortage which it could conclusively prove to have been caused by dishonesty or fraud of employees. The proof in this regard was deficient, contradictory and worthless as evidence. The packer claimed, however, that the evidence should have been admitted to corroborate the direct evidence of theft. The judge subsequently charged the jury not to consider inventory shortage at all and withheld records as evidence.

The policy had limits of \$20,000 for each employee, and \$20,000 for unidentified employees, as well as the same amount for inventory shortage proved to have been caused by dishonesty of any employee.

### Instructions To Jury Limited

At the close of argument in trial court the packer limited its request for special instructions to the jury to liability for losses caused by identifiable employees but not for those caused by unknown employees.

The court therefore found that the packer had steadily retreated in its

original contentions and had withdrawn all claims except for losses allegedly caused by theft of meat by the five persons involved, three of whom were exonerated, leaving only Harris and Jackson whose liability as noted was restricted to \$20,000 each. The jury found that their thefts had been confined to a period of six to seven weeks between July and September, 1950 and that it was impossible for them to steal the amount in question in that period. It therefore limited its award to \$83.

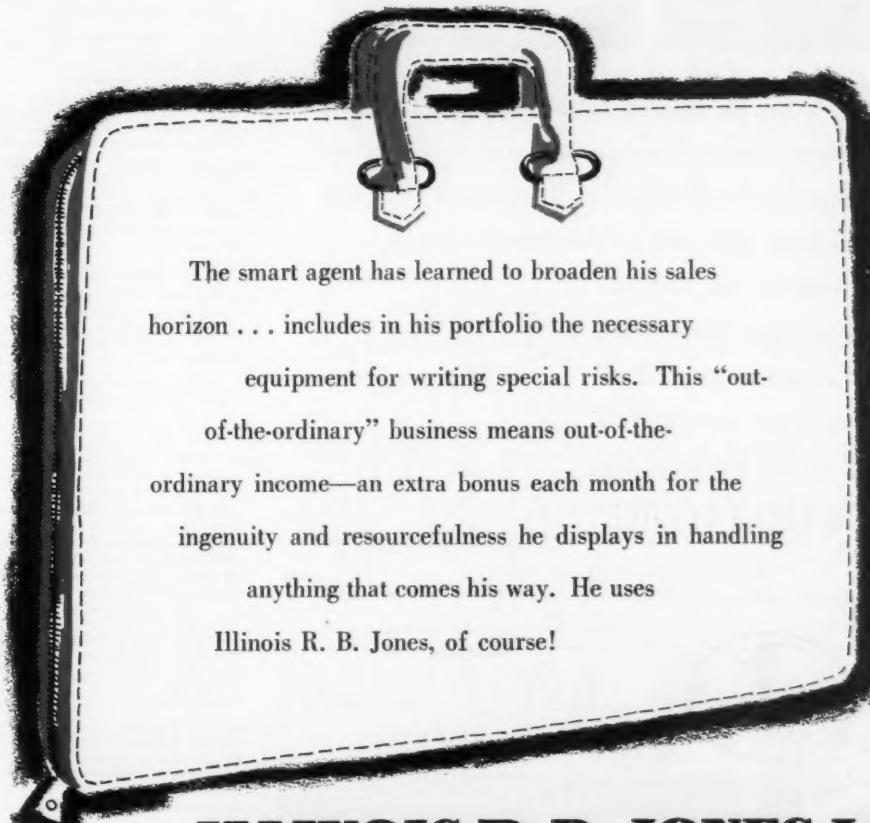
### Appeals Court Upholds Decision

The appeals court upheld this and said that the trial judge had summed up the case tersely and clearly when, in a colloquy with the packer's counsel, he said that the question of losses was capable of mathematical demonstration and depended on accurate inventories at the beginning and the end of the period in question, and the accuracy of incoming and outgoing figures.

Manufacturers Casualty in its brief, opposing writ of certiorari, said that the packer's plea was based on an

(CONTINUED ON PAGE 21)

## BONUS ENCLOSED!



The smart agent has learned to broaden his sales

horizon . . . includes in his portfolio the necessary

equipment for writing special risks. This "out-

of-the-ordinary" business means out-of-the-

ordinary income—an extra bonus each month for the

ingenuity and resourcefulness he displays in handling

anything that comes his way. He uses

Illinois R. B. Jones, of course!

**B. & R. EXCESS  
CORPORATION**  
EXCESS BROKERS

- Surplus Line
- Excess Limits
- Ocean Marine
- Errors and Omissions
- Reinsurance (Facultative & Treaties)

26 Court St., Brooklyn, N. Y.

MAin 4-4976-7-8

Personal Attention for Your Problems

Representing  
Lloyd's, London

**ILLINOIS R. B. JONES Inc.**

C. Reid Cloon, President

EXCESS LIABILITY ANY NATURE • FIRE AND ALLIED COVERAGES • OIL & T. PRODUCTS AND ALL FORMS OF LIABILITY INSURANCE • MALPRACTICE LIABILITY • GROUP ACCIDENT & SICKNESS OVER-AGE PERSONAL ACCIDENT • EXCESS MOTOR TRUCK CARGO • INLAND MARINE • REINSURANCE

175 West Jackson Boulevard  
Chicago 4, Illinois  
WAbash 2-8544

612 Gary National Bank Building  
Gary, Indiana  
TURner 5-3432

those  
d in  
t you  
mu'll  
sup-  
and  
u on  
Our  
serv-  
sales  
the  
com-  
1958

## Salesmen?



**THE BEST.** When an insured suffers a loss, prompt and equitable adjustment is Royal-Globe's way to keep your customers "sold." Our staff adjusters, well-trained and experienced, never forget that they are salesmen for you as well as adjusters for us. Star performers on your local Royal-Globe mobile production team, staff adjusters are one of the many groups of specialists that enable us to say

### "TOPS IN EVERY SERVICE"



CASUALTY • FIRE • MARINE • SURETY

150 WILLIAM ST., NEW YORK 38, N.Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD.  
ROYAL INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA  
NEWARK INSURANCE COMPANY • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN  
MARINE INSURANCE COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD.



### Convention Dates

Aug. 10-13, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.  
Aug. 20-23, Federation of Insurance Counsel, Fairmont hotel, San Francisco.  
Aug. 20-21, Hoosierland Rating Bureau and A.B.C. Service Bureau, annual, Marott hotel, Indianapolis.  
Aug. 21-23, Louisiana Assn. of Mutual Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.  
Aug. 21-23, Montana Assn. of Insurance Agents, annual, Northern hotel, Billings, Mont.  
Aug. 21-23, Texas Assn. of Mutual Insurance Agents, annual, Hilton hotel, San Antonio.  
Aug. 24-28, Section on insurance negligence and compensation law, American Bar Assn., Ambassador hotel, Los Angeles.  
Sept. 4-5, Conference of Mutual Casualty Companies, sales and agency conference, Conrad Hilton hotel, Chicago.  
Sept. 8, Vermont Assn. of Insurance Agents, annual, The Lodge, Smugglers Notch, Stowe.  
Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.  
Sept. 14-16, Minnesota Assn. of Insurance Agents, annual, Hotel St. Paul, St. Paul.  
Sept. 14-16, Washington Assn. of Insurance Agents, annual, Chinook hotel, Yakima.  
Sept. 16-18, Wisconsin Assn. of Insurance Agents, annual, Schroeder hotel, Milwaukee.  
Sept. 16-19, Mutual Loss Managers' Conference, annual, Statler hotel, New York City.  
Sept. 17-19, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.  
Sept. 17-19, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.  
Sept. 19-20, Utah Assn. of Insurance Agents, annual, Utah hotel, Salt Lake City.  
Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind.  
Sept. 23-25, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Empress hotel, Victoria, B.C.  
Oct. 5-8, Conference of Mutual Casualty Companies, annual, Chalfonte-Haddon Hall, Atlantic City.  
Oct. 5-8, National Assn. of Mutual Insurance Companies, annual, Chalfonte-Haddon Hall, Atlantic City, N.J.  
Oct. 6-7, Conference of Actuaries in Public Practice, Morrison hotel, Chicago.  
Oct. 6-8, National Assn. of Insurance Agents, annual, New Orleans.  
Oct. 12-15, National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives, Greenbrier hotel, White Sulphur Springs, W. Va.  
Oct. 19-21, Illinois Assn. of Insurance Agents, annual, Morrison hotel, Chicago.  
Oct. 19-21, Maryland Assn. of Insurance Agents, annual, Emerson hotel, Baltimore.  
Oct. 19-21, Missouri Assn. of Insurance Agents, annual, Coronado hotel, St. Louis.  
Oct. 20-21, Arizona Assn. of Insurance Agents, annual, Pioneer hotel, Tucson.  
Oct. 20-21, Insurors of Tennessee, annual, Claridge hotel, Memphis.  
Oct. 20-22, Western Underwriters Assn., annual, Greenbrier hotel, White Sulphur Springs, W. Va.  
Oct. 20-22, National Assn. of Mutual Insurance Agents, annual, Commodore hotel, New York City.  
Oct. 23-25, Colorado Insurors, annual, Broadmoor hotel, Colorado Springs.  
Oct. 26-28, Ohio Assn. of Insurance Agents, annual, Columbus.  
Oct. 27-29, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.  
Oct. 27-29, Health Insurance Assn., individual insurance forum, Drake hotel, Chicago.  
Oct. 28-29, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.  
Nov. 20-21, Conference of Mutual Casualty Companies, accounting and statistical, office methods, and personnel conferences, Conrad Hilton hotel, Chicago.  
Nov. 24-26, National Assn. of Independent Insurers, annual, Hotel Fontainebleau, Miami Beach.  
Dec. 10, Eastern Underwriters Assn., annual, Biltmore hotel, New York City.  
Dec. 15-19, National Assn. of Insurance Commissioners, midwinter, Roosevelt hotel, New Orleans.

### Two Promotions At DIA

Roger Smith has been named an account executive of Detroit Insurance Agency. He has been for five years manager of the engineering department, and before that was a fire rating bureau man. He is a fire protection engineering graduate of Illinois Tech.

Mr. Smith's successor is Claude A. Shephard, who has been assistant engineering manager for five years and prior to joining DIA was with a fire rating bureau for three years. He is also a fire protection engineering graduate of Illinois Tech.

*"May I Have A Word With You?"*

Twenty years ago our Fire Company began operation. In these 20 years they have never failed to show an increase in premiums written over the previous year, and are now one of the leading companies in our territory.



MR. JONES

There are a lot of good reasons for this fine record—good commissions, excellent claim service, progressive management, contingent contract, and others. One of the most important reasons for our continued growth has been the new forms and rates we are introducing almost every month.

Did you know Buckeye Union Fire was one of the first companies, if not the first, to endorse Personal Property Floater coverage to the Comprehensive Dwelling Policy? Did you know BU Fire has a special \$500 theft endorsement for the CDP that eliminates the stiff theft requirements of the basic policy?

You ought to see our Office Contents Form or our Outboard Motor and Boat Inland Marine Floater. Like many others, they're both outstanding contracts, and give our agents important advantages over their competitors.

Both Buckeye Union Companies are managed by forward-looking men who know the problems confronting our agents. All of our top people have served in the field as special agents at one time or another. That's why we're able to get along so well with our agents.

If you'd like more information concerning our progressive, multiple-line companies, I invite you to contact our superintendent of agencies in the home office, or our branch office nearest you. We are currently operating in Ohio, West Virginia, Kentucky, Pennsylvania, Michigan and Indiana.

*J. E. Jones*  
PRESIDENT

**BUCKEYE UNION  
INSURANCE COMPANIES**

FIRE — CASUALTY  
Columbus 16, Ohio



### "Large risk" clients appreciate this service

YOU SAFEGUARD "large risk" clients' interests — and yours — when you recommend an appraisal that provides a sound basis for determining provable property value and related insurance protection.

Many brokers and agents find our brochure, "Appraisal Procedure," very useful in pointing up the value of an authoritative appraisal to industrial, commercial or institutional clients.

Our booklet, "What The Businessman Should Know About Fire Insurance" (100 pages of valuable information) will also be appreciated by your clients.

We will be glad to send you a supply of these brochures and booklets — without cost or obligation, of course. Write Dept. NU.

THE LLOYD-THOMAS CO.  
Recognized Appraisal Authorities  
411 Ravenswood Ave., Chicago 40, Ill.  
Office Coast to Coast.

First for Factual Appraisals Since 1910



## Service Guide

### O'TOOLE ASSOCIATES Management Consultants To Insurance Companies

Established 1945  
220-02 Hempstead Avenue  
Queens Village 29, N. Y.

The LAWRENCE WILSON COMPANY  
Managing General Agents  
SURPLUS LINES - All Forms  
Representing LLOYD'S, LONDON  
First National Bank Building  
Tulsa 3, Okla.

TRANS-CANADA ASSURANCE  
AGENCIES, INC.  
LLOYD'S CORRESPONDENTS  
SPECIAL RISKS—SURPLUS LINES  
REINSURANCE  
1231 Ste. Catherine St., West  
Montreal, Canada

BOWLES, ANDREWS & TOWNE, Inc.  
ACTUARIES  
MANAGEMENT CONSULTANTS  
LIFE—FIRE—CASUALTY  
EMPLOYEE BENEFIT PLANS  
RICHMOND ATLANTA NEW YORK  
PORTLAND

CONSULTANTS  
IN MARKETING AND MANAGEMENT  
FOR THE FIRE INSURANCE BUSINESS  
FRANK LANG & ASSOCIATES  
ONE NORTH LASALLE ST.  
CHICAGO 2, ILLINOIS  
521 FIFTH AVENUE  
NEW YORK 17, N.Y.

GRADY'S  
AUTO CRASH APPRAISAL SERVICE  
20 years experience estimating auto repairs  
GRADY HENLEY  
MANAGER  
GREENWOOD 1-3589  
623 HOUSTON ST.  
MOBILE, ALA.

### Mutual Agents Of Carolina Deal With Commissions, Costs

North Carolina Assn. of Mutual Insurance Agents at its annual convention in Asheville, N.C., changed its name to Carolina Assn. of Mutual Insurance Agents. The crowd was a record one and included many from South Carolina.

Richard R. Juby, executive secretary, presented to the North Carolina department a 16mm motion picture camera and a tripod which will be used to make training films for use in the volunteer fire training program. Sherman Pickard, instructor for the volunteer fire departments in North Carolina, received the equipment and discussed the work of the insurance department in training volunteer firemen.

One resolution adopted commended Shelby Mutual for its efforts to further use of uniform casualty endorsement forms and urged other mutuals to follow suit.

The association asked directors of the national association to initiate a study of the applications of automation to the insurance business with the idea of developing through research coordination of the use of improved methods in order to obtain the best results at minimum expense. Study should be made also of what changes producers need to anticipate.

#### Conflict Of Ideas

Changes in marketing methods and in agents' commissions indicate a conflict of ideas between companies and agents, another resolution stated. Since the items causing increases in operating expenses of agencies are identical to those causing the companies similar problems, the resolution asked that companies review costs of agency operation so that they may resolve the commission problem equitably.

Directors of the association were asked to urge Commissioner Gold of North Carolina to study and carefully consider the increased auto rates now on file. Agents believe the rates need to be increased to a point where companies will not withdraw from the market, and those that don't will not run the danger of insolvency.

At the annual banquet, W. A. Stringfellow, assistant general manager of the national association, acted as toastmaster and presented the association awards for the year. Field man of the year selected by agents is James Boudman, special representative of Harleysville Mutual. C. P. Dobbins of the Ratterree & Co. general agency, Greer, S. C., won the award for helping get in the most new association members during the year. T. Craig Watson of Gastonia, the new president, was chosen as agent of the year and was given the Swigart award and firemark.

### Boston Group Names Storr Administrative Assistant

Bruce P. Storr has been appointed administrative assistant by Boston. He will be responsible for supervision of regional office accounting, systems and procedures, forms, design and control and the supply and printing departments under Walter H. Mosher, vice-president.

Mr. Storr joined the group in 1946 as tabulating supervisor in the western department at Lansing and later became office manager. Last year he transferred to the home office as an electronic programmer.

### American Agency System company offers...

### Trucking insurance market at rates competitive with direct writers

### First agency company to offer Fleet Owners' Comp in package of 5 Major coverages

- ✓ Adequate commission commensurate with competitive ratings
- ✓ Annual or continuous policy with monthly payments
- ✓ All state and I.C.C. filings made by company
- ✓ Fleet rates and retrospective ratings on large accounts



## MID-UNION INDEMNITY COMPANY

ELGIN, Illinois

THROUGH



## DUDLEY L. MOORE

### Insurance

Title Building  
Birmingham, Ala.  
Tel. AL 1-1148

Atlanta Federal Savings Building  
Atlanta, Georgia  
Telephone JA. 5-7455

Gurney Building  
Orlando, Fla.  
Tel. GA 4-5658

Agents and Brokers—  
Fire—Casualty—Special Risk  
Licensed Excess Agents

### Proud Of Our Past...



42 YEARS  
Confident Of Our Future!

PREFERRED FIRE INSURANCE COMPANY  
701 JACKSON STREET • TOPEKA, KANSAS  
A MULTIPLE LINE COMPANY

## COMMENTS

## TRENDS

## OBSERVATIONS

## Sees Antiquated Claims Handling As One Of Reasons For Rising Loss Ratios

A reader who prefers anonymity in his discussion of a possibly delicate subject writes in the following vein with regard to company claim procedures and their impact on loss ratios:

Having had considerable experience as an automobile claims man, the writer feels qualified to comment on these operations in general and to suggest respectfully that there is considerable room for improvement.

The motoring public has almost reached the point of exasperation because of spiralling rates. They are told that the premiums must rise to keep up with the loss ratio, and somehow assume that employees of the claim department with whom they come in direct contact must be incompetent or they would be able to help prevent the high loss ratios. It seems natural, however incorrect, for automobile owners to reach such a conclusion, which casts an unfavorable light on the claim department employees who have always been the whipping boys of the business.

### Competent But Underpaid

In most cases the companies have competent claim men who realize that they are the vanguard of the defense of the company's financial security. They work conscientiously to protect it and observe schedules which play havoc with their normal home life—in spite of the fact that they are usually so underpaid that it is difficult for them to purchase sufficient changes of clothing to maintain the appearance expected of them.

A man of integrity who has spent the greater part of his business life as a claim representative and is without wealthy relatives will usually be found living in or on the fringe of a tenement house area and wearing a suit that is nicely cleaned and pressed but shiny or threadbare from age. He drives a car only because the company furnishes it to him or because he is able to make the payments from the mileage reimbursements of his expense account. It is quite a contrast to the mode of living enjoyed by the

employee of the underwriting department.

It is difficult to understand the reasoning of company executives. They expect claims men to have a thorough knowledge of coverages, of law, and of settlement values, along with an uncanny insight that tells them when the right time for settlement arrives. They are also expected to be conversant with medical terms. And then they are supposed to be grateful for and content with salaries that fall far short of those the average manual worker receives.

Some readers may wonder what the contentment of the claims man has to do with loss ratios. The fact is that while such a situation has not in itself caused high loss ratios, it definitely is a part of the cause. A claims man who suffers financial pains cannot properly perform all of the innumerable tasks necessary to accomplish the desired results in every case. Laxity on the part of a field claim man can result in attorneys appearing in just about every one of his cases. The claimant today demands some positive action. If the case is to be settled he wants to be told so from the very beginning of the negotiations. Any procrastination on the part of the field claim man will drive the claimant to a lawyer just as surely as if the claim man told him at the outset that the purpose of his visit was part of a company plan to defeat the claim.

### Turnover Should Cause Concern

There has always been a terrific turnover of personnel in claim departments. Certainly that should cause concern among executives. Surely they want their claim departments staffed permanently by men of the highest ability. Of course they appreciate that it is impossible to fill a basin with water unless there is a serviceable plug in the drain—regardless of the force of the stream pouring into it. Likewise it is impossible to maintain a comfortable loss ratio if the claim department is weak, for whatever reason.

The position of the field claim representative—one of the most important in the company—should not be used as a training ground for law students and recently admitted attorneys so they can learn the operations of the claim department and later use their knowledge to beat the company to financial death. That practice has been going on for some years, and the fallacy of the idea is apparent.

Another fallacy is that money can be saved by hiring totally inexperienced boys as so-called trainee investigator-adjusters. It is likely that this practice is one of the main reasons for distressing loss ratios. What the companies save on salaries is lost many times over in the loss ratios.

A man should start learning the business of handling claims as an examiner on damage claims where his

(CONTINUED ON PAGE 18)



George F. Avery, New York City manager of U.S.F.&G. and chairman of the executive committee of Insurance Federation of New York State, (left rear), and Robert B. Douglass of Potsdam, president of the federation (right rear), presented a scholarship award to Linda A. Davis (second from left, front). This was the first presentation of the federation's \$1,000 annual scholarship. It is awarded to the student in any senior class of more than 1,100 secondary schools throughout the state, for the best essay on what the private enterprise system means to the U. S.

Third from the left, front, is Brenda Lee Phillips, second place winner. Both are from the Schreiber high school at Port Washington. Donald Sadkin of Bennett high school, Buffalo, won honorable mention for third place.

Others in the photograph are, back row, from left, E. D. Hendrickson, principal of the Schreiber school and Angela M. Corson, Miss Davis's English teacher; front row, Allen H. Harris, state agent on Long Island for Agricultural, Miss Phillips's sponsor, and Russell Edgett, executive secretary of the federation.

Final award judges were Ashby E. Bladen, vice-president of Aetna Fire group at New York and president New York Board of Trade; E. C. Niver, executive vice-president, New York Board; Edmund T. Sinnott of New York, president Insurance Brokers Assn. of New York State; John C. Weghorn, New York City agent, and Insurance Superintendent Julius S. Wikler.

## Boston CPCU On TV With Discussion Of Personal Cover Needs

The Boston CPCU chapter presented a TV information program on personal insurance lines over channel 4 of the Westinghouse Broadcasting System.

John Adam Jr., resident vice-president of Central Mutual, Van Wert, O., played the role of an insurance advisor to a married couple portrayed by Arthur S. Gay Jr., special agent of Central Mutual and president of the chapter, and Miss Margaret M. O'Connell, supervisor of training for Employers Liability, chapter secretary.

### Three Lines Dramatized

The program dramatized situations involving automobile, personal liability and fire insurance. One incident where two young boy friends of the couple's son were riding in the family car and were badly hurt in an accident emphasized that compulsory automobile insurance does not cover guests, nor damage to the property which the car hit. The need for comprehensive personal liability was highlighted by incidents involving a baby sitter injured on the premises

and a boy who set fire to a neighbor's house while burning dry grass in his family's back yard.

To wind up the show, Mr. Adam was interviewed by Charles Dudley, host of the "Dimensions" program, and developed technical points of coverage for the illustrations used.

## Suggests Life Money To Add To Ocean Marine Capacity

The American marine insurance market became a truly international market following World War II, Miles F. York, president of Atlantic Mutual, told members of American Marine Insurance Forum at the June meeting in New York. Among future possibilities of expansion Mr. York mentioned undersea freight and passenger vessels. He also said that the increasing size and value of ocean vessels posed a capacity problem which could, however, be solved, possibly by legislation which would allow investment in property insurance companies by the large life companies.

There are dangers in attempts by the inexperienced to apply package policy concepts to the ocean marine insurance fields, he said. In particular he questioned the value or place in this business of block policies.

NS

## McNamara Rises In General Accident

Joseph M. McNamara has been named assistant general manager of General Accident and secretary of Potomac and Pennsylvania General. He will continue to direct and supervise the group's nationwide claims operation under the general responsibility of Harold S. Baile, deputy general manager and general counsel. Mr. McNamara will in addition, perform executive duties.

He joined General Accident as claims manager at Newark and subsequently was a general field supervisor in the home office department in Philadelphia. He was later manager of the claims division.

## Munsell Promoted To General Sales Manager Of Beacon Mutual Indemnity

John S. Munsell has been named general sales manager of Beacon Mutual Indemnity of Columbus, and Dean W. McAfee becomes manager of underwriting. Mr. Munsell has been with Beacon Mutual since 1956 when the company went multiple line and he organized the fire department. Before he was for eight years in the fire and inland marine business. Mr. McAfee has been with Beacon Mutual for 12 years, most recently as Indiana agency manager.

## Says Rating "Deadheads" Cost La. Buyers Millions

Wade O. Martin Jr., Louisiana secretary of state and former insurance commissioner, has charged that occupants of the best paid positions in the state insurance rating commission are either "deadheads or incompetents" who have cost insurance buyers millions in the past two years.

His assertion came at a legislative committee hearing on a bill to put his office under the governor's budget control office. The dual office of secretary of state and insurance commissioner was separated by the legislature in 1956.

Commissioner Rufus Hayes said that Mr. Martin's statement was without fact or foundation, and in his judgment was politically inspired.

## Orlando Claim Men Elect

Orlando (Fla.) Claim Men's Assn. at its annual meeting elected Carle Bentley of Butterfield & Co., president, Henry W. Oestreich Jr. of American Fire & Casualty vice-president, Carlton F. Pierce of Motors treasurer, and Earl L. Hansell of American Mutual Liability and Melvin J. Meyer of Iowa National Mutual secretaries.

## R. J. Weghorn Cited By N. Y. Junior Chamber

Young Men's Board of Trade, New York City's junior chamber of commerce, has named Richard J. Weghorn of John C. Weghorn agency the outstanding committee chairman of the year for his work on the insurance committee in 1957-1958. James A. McLaughlin, U.S.F.&G. was named outstanding project committee chairman. Alfred W. Friedrich, Prudential, was also recognized as a project committee man. Scrolls and trophies were awarded at the annual awards and installation meeting.

For outstanding general board work the following were cited: Guy Ward Hill, Despard & Co.; Russ Pesci, O'Hanlon Reports; Austin J. Leavy, Donald J. Kucin and William Prinsell—all of Commercial Union-Ocean, and T. J. Anderson Jr., Lethbridge, Owens & Phillips. Also recognized were William J. Brown Jr., American Surety and Emanuel F. Abbatte, America Fore Loyalty for their work as chairman and vice-president respectively.

Mr. Weghorn and Mr. Hill were elected vice-presidents. Other officers named were David G. Christie, Union Re, secretary; Donald J. Kucin, Commercial Union-Ocean, assistant secretary; Edward J. Rock and Noel T. Bernard of Adams & Porter, treasurer and assistant treasurer, respectively.

Mr. Anderson, Mr. Brown, and Charles K. Bair, Atlantic Mutual, were elected directors for two years, and James L. Hazelwood, Aetna Life, and Robert L. Sanford, Smyth, Sanford & Gerard, were named for one year. Mr. Abbatte was appointed counsel.

## Bendin, McBean In Atlanta Changes Of Royal-Globe

Royal-Globe has appointed E. P. Bendin special representative of the inland marine, aviation, burglary and glass departments at Atlanta. He trained in the inland marine department at the home office in 1954 and transferred to Atlanta as underwriter in inland marine, aviation, burglary and glass in 1955.

Donald McBean, who recently completed his training at the head office, has transferred to Atlanta to replace Mr. Bendin as underwriter.

## Motorists Mutual Joins Mutual Reinsurance Bureau

Motorists Mutual of Columbus has become an assuming member of Mutual Reinsurance Bureau of Belvidere, Ill., replacing Western Millers Mutual of Kansas City, which is changing to a direct writing operation.

## "Service Beyond The Treaty"

Intelligent Reinsurance Analysis

FIRE • CASUALTY • TREATY • FACULTATIVE

REINSURANCE Agency Inc.

CHICAGO 6, ILLINOIS • 309 W. JACKSON BLVD. • WABASH 2-7515

# Reinsurance . . .

SERVING

INSURANCE AND REINSURANCE

COMPANIES AND BROKERS

WHO DEMAND THE BEST!

TREATY

FACULTATIVE

CATASTROPHE

SPREAD LOSS

SURPLUS

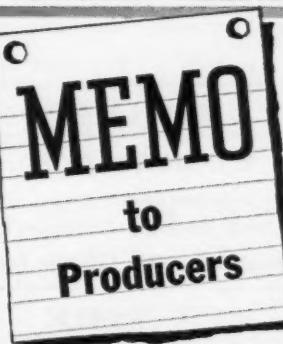
EXCESS

QUOTA SHARE

Leonhart and Company, Inc.

SOUTH & WATER STREETS SARATOGA 7-3500  
BALTIMORE 3

27 WILLIAM STREET HANOVER 2-6384  
NEW YORK 5



Here is a simple  
formula for obtaining  
Insurance-to-Value

SFA X RC

Present a client with a specific figure as to the amount of insurance he should be carrying. It's far more effective—and action-compelling—than reams of general facts and figures on underinsurance.

It is quick and easy to obtain that figure. Simply multiply the Square Foot Area by the current local Replacement Cost for that type construction. You can determine square foot area and type of construction in a matter of moments with a local Sanborn Map.

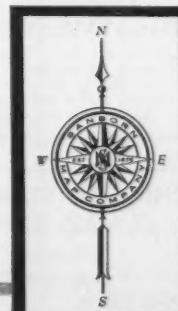
You do both clients and companies a favor by obtaining Insurance-to-Value—and you add materially to your average premium per policy!

**SANBORN MAP COMPANY**  
Home Office: 629 Fifth Avenue • Pelham, N. Y.

NEW YORK: 85 John Street

CHICAGO: 220 So. State Street

SAN FRANCISCO: 530 Washington Street



## N. Y. Disability Costs Show Increase

The combined 1957 experience of insurance companies authorized to write business under the New York disability benefits law showed increases over prior years in frequency of claims, duration of disability and cost per claim, according to the New York department.

The tables of experience showed that in 1957, 2,472,998 employes were insured for the minimum coverage required by law. The experience under

plans which provide benefits in excess of those required by the DBL, covering approximately 1,600,000 workers, was not included.

### Relative Figures Given

The relative figures for DBL experience for calendar years 1953 and 1957 were: Average number of employes covered, 2,313,872/2,472,998; amount of covered payroll, \$5,929,364,381/\$6,616,748,045; number of ini-

tial claims allowed, 137,540/161,761; total number of weeks paid, 784,917/1,-053,505; losses paid, \$19,136,879/\$32,016,981; annual claim frequency per 100 covered employes, 5.9/6.5; average weekly rate of benefits paid, \$24,38/\$30.39; average disability period (in weeks) compensated per claim, 5.71/6.51; annual claim cost per employee insured, \$8.27/\$12.95; annual claim cost as percentage of covered payroll, .32%/.48%; annual claim cost per \$1 of weekly benefits exposed, 33.9 cents/42.6 cents; average annual covered payroll per employee, \$2,563/

\$2,676, and average cost per claim \$139.14/\$197.93.

An analysis of 44,278 claims closed in 1957 showed that the total of male receiving less than 20 weeks of benefits amounted to 87.7%; those receiving 20 weeks of benefits, 12.3%, and the average duration of benefit payments was 7.46 weeks. For women the figures were 91.3%, 8.7% and 6.89 weeks.

An analysis of 17,723 claims closed in 1957, where the disability commenced on or after July 1, 1957 (maximum benefit rate of \$45 a week) showed that the total of males receiving less than \$45 a week amounted to 71.4%; those receiving \$45 a week, 28.6%, and the average weekly benefit paid was \$34.98. For women, the figures were 91.7%, 8.3% and \$26.66.

Superintendent Wikler pointed out that in comparing the 1957 experience with that of any previous year, it should be noted that the maximum benefit period was increased from 13 weeks to 20 weeks effective July 1, 1956, and that the weekly maximum rate was increased four times since 1950.

## DIRECTORY OF RESPONSIBLE INDEPENDENT ADJUSTERS B

### FLORIDA

**RAYMOND N. POSTON, INC.**  
159 S.W. 8th St. Miami, Fla.  
BRANCHES  
PT. LAUDERDALE  
521½ S. Andrews Ave.  
PALM BEACH AREA  
16 North L Street Lake Worth  
KEY WEST  
415 Fleming St.  
ST. PETERSBURG  
486 1st Ave.



### ILLINOIS

**E. S. GARD & CO.**  
Adjusters  
CHICAGOLAND CASUALTY CLAIMS  
★ ★ ★ ★ ★  
175 W. Jackson Blvd., WAbash 2-8880

J. R. McGowan, Pres.  
**THOMAS T. NORTH, INC.**  
Adjusters All Lines  
Phone HArrison 7-3230  
175 W. Jackson Blvd., Chicago 4

**ASSOCIATED CLAIM SERVICE, INC.**  
John S. Tasch, President  
**ADJUSTERS**  
For the Companies and Self-  
Insurers only  
222 W. Adams Street Phone DE 2-5456

**JOHN H. HUNT & CO., INC.**  
Chicago Office—330 S. Wells St., HA 7-0830  
Serving Northern Illinois and N. W. Indiana  
Branch Offices  
WAUKEGAN, Delta 6-8822 GARY, TURNER 2-9338  
ELMHURST, TERRACE 4-9480 JOLIET, Joliet 2-5634  
24 HOUR SERVICE  
NIGHT PHONES: ORchard 5-3594 &  
POrtsmouth 7-8196

**R. L. LYNCH AND COMPANY**  
Fire and Casualty—All Lines  
H. O.—Springfield, Illinois  
Illinois Branch Offices  
Alton - Belleville - Decatur  
Jacksonville - Peoria

**LIVINGSTONE  
ADJUSTMENT SERVICE**  
619 E. Capitol Ave., Springfield, Illinois  
Branch Offices: Decatur - Mattoon  
Mt. Vernon - Belleville - Quincy  
Covering Central and Southern Illinois  
All Lines of Fire & Casualty

**CHICAGO SUBURBAN  
CLAIMS SERVICE**  
Adjusters  
State 2-4803  
100 N. La Salle St. Chicago 2, Ill.

### INDIANA

**JOHN H. HUNT & CO., INC.**  
Chicago Office—330 S. Wells St., HA 7-0830  
Serving Northern Illinois and N. W. Indiana  
Branch Offices  
GARY, TURNER 2-9338 WAUKEGAN, Delta 6-8822  
ELMHURST, TERRACE 4-9480 JOLIET, Joliet 2-5634  
24 HOUR SERVICE  
NIGHT PHONES: ORchard 5-3594 &  
POrtsmouth 7-8196

### IOWA-ILLINOIS

**ILLINOIS-IAWA CLAIM SERVICE**  
Winter & O'Toole  
Rock Island, Illinois  
Burlington, Ia.—719 F & Bank Bldg.  
Davenport, Ia.—612 Kahl Bldg.  
Fire and Casualty—All Lines

### KENTUCKY

**McGUIRE ADJUSTMENT CO.**  
REPUBLIC BLDG. LOUISVILLE 2, KY.  
Staffed by experienced personnel for prompt and courteous service in adjusting Casualty, Fire and allied lines of insurance claims, within radius of 75 miles.  
PH. JUNiper 4-6764 Night—MElrose 6-3771

### NEVADA

**R. L. GRESHAM & CO.**  
Multiple Line Adjusters  
312 North 5th Street Las Vegas, Nev.  
8 Adjusters Servicing 150 Mile Radius

### NEW YORK

**In the Insurance Industry**  
**WORK means SERVICE**  
Ralph A. Work, Inc.  
General Adjusters for the Companies  
17 John St., New York 38 WO 2-1810  
24-HOUR SERVICE - Residence Phone RA 9-2966

### OHIO

**O. R. BALL, INC.**  
Fire - Inland Marine  
Allied Lines  
1544 Henna Building  
Cleveland 15, Ohio  
Phone SUPERior 1-7850  
Night Phones: MONtrose 3-7664  
Florida 1-5095

**D. J. SCOTT & SON**  
302 Home Savings & Loan Bldg.  
Youngstown 3, Ohio  
Phone RIVERSIDE 6-4661  
Night: SKYLINE 8-5425 and SKYLINE 8-3978  
FIRE & ALLIED LINES  
36 Years Experience 24 Hour Service

**THOMAS D. GEMERCHAK**  
Insurance Adjusters  
All Lines  
416 Citizens Bldg., Cleveland 14, Ohio  
Phones Off. Su. 1-2666 - Res. Fa. 1-9442

### OHIO (Cont.)

**R. S. LANDEN ADJUSTMENT CO.**  
Suite 410 - 83 So. High St.  
Phone CApitol 8-2447  
Columbus 15, Ohio  
ALL LINES

**OHIO CLAIMS SERVICE**  
1000 American Bldg., Dayton  
Tel. Off. BALDWIN 4-8307  
Tel. AX 3-5718 & AX 8-1767  
Ralph F. Kisling, Mgr.  
Prompt Investigation and Adjustment of all Types of Claims  
for Insurance Companies.  
Branch Office, 815 First Natl.  
Bank Bldg., Springfield, Ohio.  
Tel. PA 5-4522

**LOVELL-PASCOE, INC.**  
ADJUSTERS & SURVEYORS  
815 ErieSide Cleveland 14, Ohio  
Canton Branch:  
820 Peoples Merchants Bank Bldg.  
Tel. GL 2-7674  
Elyria Branch: 313 Elyria Block

### OKLAHOMA

**C. R. WACKENHUTH AND SON**  
ADJUSTERS FOR THE  
COMPANIES—ALL LINES  
301 Mid-Continent Bldg.  
Tulsa, Oklahoma  
Phones LU 2-5460  
GI 7-3850

**H. BRUCE WELCH & ASSOC.**  
Multiple Line Adjusters and Investigators  
536 So. West 29th Street  
Oklahoma City 9, Oklahoma  
MElrose 4-1408-09-00  
H. Bruce Welch, Manager  
S. M. D. Clark, Fire Manager  
Bill Pruegert & Jess Horn, Casualty Adjusters  
Servicing a 200 mile radius.

### UTAH-IDAHO

**SCOTT WETZEL CO. UTAH-IDAHO**  
INSURANCE ADJUSTERS  
428 So. Main, Salt Lake City, Utah  
First Security Bank Bldg., Pocatello, Idaho  
258 W. Broadway, Idaho Falls, Idaho

### TORONTO-CANADA

**ADAMSON, LTD.**  
Established 1894  
Fire - Inland Marine - Casualty  
and AUTO ADJUSTERS  
10 Lines to serve you.  
Our cars are equipped with radio  
for fast efficient service.  
Phone: EMpire 3-6223  
9 Wellington St., East  
Toronto 1

### Antiquated Methods Raise Claim Loss Ratios

(CONTINUED FROM PAGE 16)

inexperience could do no harm to cases with serious potential and where he could learn the company's desired procedure as to file creations, the setting of reserves, etc. After a year or so in that position, he should be put on the examination of cases with more serious potentials, wherein he could, under supervision of a really qualified field claim representative, handle all of the routine procedure. After about a year or two he would be about qualified to start as a trainee field claim representative.

It is impossible for anyone—no matter how learned and experienced—to supervise the activities of the field claim representatives by remote control. The companies do not need such men at the home office or even at a branch office. The battle is lost or won in the field and that is where the most competent men are needed, not at a remote location making futile efforts to prevent a staff of trainees from tearing down the financial structure of the company.

The compulsory cash sickness bill in the Massachusetts legislature has been defeated in the house. The bill would have set up a state operated fund.

### PRITCHARD AND BAIRD

123 William St.  
New York 38, N. Y.  
REINSURANCE  
CONSULTANTS  
AND  
INTERMEDIARIES  
“We Are What We Do”  
Phone WOrth 4-1981

## Companies Cool On Big I Campaigns: Life, IAC Nuptials Seen As Unlikely

(CONTINUED FROM PAGE 2)

pate on a modest basis. They indicated a fair response from larger companies to the plan but gave no hint of how many had subscribed. Smaller companies are on the fence, they said. The discussion did not leave the impression of enthusiastic company backing for the project.

### Brainstorming Session Held

In a brainstorm session to promote ideas and suggestions Miss Fisher complimented companies which have used consumer advertising consistently. She said they have succeeded in creating an image and identity as in-and-out advertisers have not. Mr. Brown noted that it would be a mistake to let the national advertising battle go to the big direct writers by default.

Walter H. Riley, advertising manager of American Surety, bemoaned the fact that technical committees which conceive new coverages also christen them. Advertising men could devise more inviting and saleable titles, he declared.

In his talk, Mr. Crockford stressed the difference in problems and programs of LAA and IAC, but conceded that recent developments might bring their interests closer in some respects.

He described his group's do-it-yourself technique used in workshops designed to aid younger members. Specific sales and marketing plans for a complete company operation were worked out by students guided by a faculty of veterans representing many of the largest life companies. He described continuing sales promotion, advertising and public relations research which has produced handbooks on these subjects.

A discussion on annual reports developed differences of opinion on the relative weight to be given contents. Howard Sherman, assistant director of the annual report survey of "Financial World," and William Aldrich, managing editor of "The Spectator," agreed the document should be primarily a complete financial report of the year's activities. Joseph W. Landers, advertising manager of American Fire & Casualty, Orlando, Fla., said his company considered the publication an "An-You-All Report" reflecting warmth and a story told in terms of people. He said there is a difference between an annual report and a financial statement.

### Methods Of Judging Told

Mr. Sherman and Mr. Aldrich said that in judging the merits of reports, their organizations give greatest weight to the following factors: Clarity of the president's letter, completeness of the explanatory narrative, graphs, comparative statistics for at least two years and preferably longer, and per share figures. Mr. Sherman asserted that fire and casualty company annual

reports have lagged behind the standards of other industries, particularly in providing information for serious study by financial analysts. This could be included without extra expense, he contended. He advised inclusion of the investment portfolio in the report or at least a simultaneous mailing, but Mr. Aldrich advocated complete separation of the list and said it should be offered to interested readers on a request basis. Charles Freeman, secretary of Springfield, reported that his company offered the portfolio listing and only 10% of 6,200 recipients requested it.

Charles Oaks Jr., advertising assistant of Travelers, and Frank Pote, advertising manager of Boston, reported recent success in converting management to a view of the annual report as a communications document.

Edward Scharegt of Fireman's Fund, Clark W. Smitheman of North America and T. Ramsay Taylor of U.S.F.&G., discussed house organs as vehicles for achieving unity of outlook among management, agents, home office staff and field personnel. Blunt and terse communiques from management can often be clarified and explained in these publications, it was agreed.

### Panel On Vertical Communications

A panel on vertical communications with William E. Mohan, assistant advertising manager of "Banking" and Richard Gibson, promotion manager of "Iron Age," highlighted opportunities for the insurance business to influence business men in other fields through articles on specific coverage pertinent to their interests.

The convention was marred by an unfortunate injury to Mrs. Francis T. Ahearn who sustained a severe gash on one leg and a shattered knee cap on the other while boarding a boat for the cruise which was part of the social activities. Mr. Ahearn, manager of Insurance Information Office of Connecticut, whose admitted ignorance of the jargon and platitudes of the insurance business brought a fresh note to the program in his review of the activities of his office, reported in last week's issue, informed IAC officers that Mrs. Ahearn was resting comfortably after immediate medical attention and subsequent hospital care at Hartford.

Mr. Oaks was appointed chairman of a committee to explore the possibility of developing an advertising guide for local agents based on the award winning campaigns of agents in the annual IAC competition.

### United Adjustment Names Willey

Clarence B. Willey has been appointed manager of United Adjustment's Wichita branch. Mr. Willey has been with Underwriters Adjusting since 1948.

## THE TRI-STATE GROUP

All Multiple Line

Tri-State Insurance Company  
Farmers and Merchants Insurance Company  
Midwestern Insurance Company

Home Office

Tri-State Insurance Building

Tulsa, Oklahoma

# UNITED STATES CASUALTY COMPANY

Fire



Casualty

Surety

Marine

## HOME OFFICE

60 John Street

New York

**SELL  
PROTECTION  
IN  
ACTION!**



Line up with the team that gives you ACTION . . . helps you sell and serve your assureds! Action on modern policies and underwriting problems . . . prompt action on claims, with nationwide service . . . risk-improving action by our safety engineers.

Bonds, Fire, Marine and Casualty  
—including Workmen's Compensation



A NATIONAL INSTITUTION  
**Employers**

MUTUAL CASUALTY COMPANY  
DES MOINES 7, IOWA

American Agency System 100% . . . Assets over \$44 Million

## State Farm V-P Sees Agency Insurers Making Changes To Close Auto Gap

(CONTINUED FROM PAGE 6)

handling and operating economy. Ultimately no other factor has as much to do with the final cost which the policyholder pays."

### Underwriting Advantages

The advantages of exclusive representation in underwriting, Mr. Morrill said, are:

—The fortunes of the agent are tied to the fortunes of the company. Sound field underwriting is the key to a good loss ratio for an agency, improves the chances that low rates, and with them the agent's sales advantage, can be maintained.

—The company can be sure that the agent is not submitting business that has been passed from one company to another until somebody takes it.

—The company is free of pressures to take bad business in reciprocation for good business.

—The underwriting of the individual agent can be kept under constant review, can be examined as a whole, and guidance can be provided.

### Service To Policyholders

Service to policyholders, the second point of comparison, breaks down into coverage and claim, Mr. Morrill said. As to coverage, "many would agree that the quality of advice and the ultimate protection provided is more a reflection of the salesmanship and capacity of the individual agent than of the system which he represents." Over-all, he opined, State Farm agents do at least as good a job as any other group.

The claims picture is manyfaceted,

but Mr. Morrill asserted, "we think our system has advantages."

—Each agent has a contractual obligation to give claim service to any policyholder of the company. This is especially important in automobile insurance. The automobile is made to travel, and a good share of all accidents occur out of the servicing area of the original agent.

—Because the fortunes of the agent are tied to those of the company, building good will for the company through competent claim service to traveling policyholders is good for the agent.

### Good Service Builds Good Will

—Good claim service to his own policyholders builds both good will and business for the agent in his own community.

—Because the agent is a full member of the company team, he can be back-stopped by full-time, salaried company claim representatives.

The advantage of being able to remember an auto insurance company's name and to find it in a phone book when an accident happens far from home is apparent, Mr. Morrill observed. "If you remember the name of your agent but not the company, the disadvantage is equally apparent.

"With the natural preference we have for our own approach, we think that many of the routines and much of the paperwork of the American agency system are a throw-back to the days of handwritten ledgers, quill pens and sleeve garters. We just don't think that system can match ours in operating economy or efficiency."

State Farm Mutual insures more

than five million cars, he added, remarking: "It is staggering to think of imposing the collection of five million annual premiums on our agents, to think of extending credit as practiced by the American agency system, to think of preparing, reissuing and delivering five million new policy contracts a year."

Because State Farm agents are freed of much overhead expense, and because they are an integral part of a marketing team that creates sales, they require less gross compensation per sale; but, he said, earnings of \$10,000, \$15,000, or \$20,000 a year, net, are commonplace, "not only among agents of our company, but of other similar companies." Many established men make much more. Even though some may earn less gross, they may still earn more net take-home pay because of lower operating costs.

### Results In Lower Cost

The net result for the company is a lower cost of acquiring and handling business. This is an important source of the savings that makes lower rates possible.

The direct writer system also provides economies in claim handling, Mr. Morrill asserted. The agent, because he has an interest in his own loss ratio, has an incentive to help resist false or extravagant claims, and to assist in controlling repair costs, just as the building of his local reputation gives him an incentive to be fair, prompt and reasonable in handling the vast majority of legitimate claims. Further, the exclusive agent has no leverage to compel the payment of claims that the company does not owe. The agent can be coached and guided in sound claim handling, and his performance can be kept under continuing review. The company can count on prompt reports, make prompt investigations of serious accidents.

### Agent-Company Partnership

"Some or all of these conditions can and do exist in claim handling under the American agency system. The missing element, as we see it, is the partnership attitude, and remember that I am not talking about the routine, normal claim, but the all-too-frequent extravagant, exaggerated claim."

"In last week's "Life" this paragraph appeared in an NAIA ad:

'CLAIM COLLECTION—When a car owner has a loss, his independent insurance agent helps him file and collect his claim. The independent agent negotiates with the company.'

"Why would an agent need to 'negotiate' with his company? The great bureau companies of the American agency system rightfully enjoy excellent reputations for fair claim handling. Surely there is no need to negotiate a fair settlement. Whatever the meaning of this phrase, we cannot read it in the context of a sound agent-principal relationship."

The area of marketing, Mr. Morrill said, is the most significant. It is in the market place that any business gets its motive power. "And we think that the marketing advantages of the exclusive agent concept put all of the other advantages in the shade."

A by-product of exclusive representation is the opportunity it creates to back up the agency force with powerful national advertising, teamed

with effective tie-in merchandising programs. "The role of advertising and merchandising in marketing needs no comment. Yet it is a fact that the only big advertising programs of the automobile insurance business are those of three or four independent companies."

An agent who represents many companies on a non-exclusive basis cannot tie himself to the advertising or merchandising aids of all or any one, Mr. Morrill observed. He must advertise and merchandise his personal services, under his own business style.

### Creating Company Personality

State Farm, he said, is deliberately trying to create a distinct personality, recognizable in the market place.

"We use the symbol of an emblem for recognition and identity—in our ads, on printed forms and on the bumpers of automobiles. It is reproduced in the yellow pages of thousands of telephone directories, as a point-of-sale means of contact. We try to get across the idea that this emblem stands for low cost, warm, understanding service and the size and stature necessary to assure dependability year in and year out, wherever our policyholders may live or travel.

"The sale of automobile insurance through paid advertising is not our objective. What we seek is to prepare the soil rather than to harvest the crop. We try to pre-dispose people to State Farm Mutual so as to ease the agent's job.

### 72% Seek The Agent

"Even so, many sales do result, partly from paid advertising but principally from word-of-mouth advertising that usually embraces a good opinion of both the company and the agent. Certain of our studies have shown that 72% of our new policyholders sought out the agent, rather than the other way around."

A characteristic of the exclusive agent approach has long been multi-line selling. State Farm, Mr. Morrill said, has been selling life insurance through automobile insurance agents for more than 25 years, and for 23 years has sold fire insurance, principally on dwellings.

"We think of these extra lines as by-products from the contacts built up through the sale of automobile insurance. Since the automobile is today the common property of people at all income levels, and almost all of them want to insure it, the sale of automobile insurance is not difficult. A new agent starting from scratch will often have 500 cars insured in from two to three years. In five years, he will often have from 800 to 1,000 insured. He will have built a personal contact with hundreds of families."

"After all, what are the personal insurance needs of the average middle-income family? He must insure his automobile, his dwelling and its furnishings, and the lives of the family members. The agent who can supply all his basic insurance needs can make the contact worth his time, where the single-line agent would find it impossible to do so."

A. E. Anderson, head of the bureau operations of **Hardware Mutuals of Stevens Point**, is retiring after 38 years with the companies. He has developed rate, underwriting rules and interpretation for the companies since 1950, and coordinated efforts of Hardware Mutuals with the bureaus and governmental agencies.



*The Hanover Group*  
An Old and Reliable Name  
in Insurance

**The HANOVER INSURANCE COMPANY**  
(ESTAB. 1852)

**The FULTON INSURANCE COMPANY**  
(ESTAB. 1929)

Home Office: 111 John St., New York 38, N.Y.

CHICAGO • SAN FRANCISCO • TORONTO

handising  
tising and  
needs ne  
t the only  
the automo  
are those  
nt compa  
nts many  
ive basis  
advertising  
ll or any  
He must  
his per  
n business

liberately  
personality,  
ace.

an emblem  
—in our  
l on the  
is repro  
of thou  
ies, as a  
rt. We try  
s emblem  
, under  
and stat  
pendabil  
wherever  
or travel  
insurance  
not our  
o prepare  
erest the  
people to  
ease the

ult, part  
t principle  
l advertising  
l opinion  
e shown  
eyholders  
than the

exclusive  
n multi  
. Morrill  
nsurance  
e agents  
d for 23  
ce, prin  
-

es as by  
built up  
le insur  
is today  
le at all  
of them  
of autom  
cicult. A  
tch will  
in from  
ears, he  
,000 in  
personal  
es.

personal  
ge mid  
e insure  
and its  
the fam  
an sup  
eds can  
s time,  
would

bureau  
uals of  
after 38  
He has  
les and  
es since  
f Hard  
us and

## N.J. Man Hurt In Pa. Can't Sue In N.J.

New Jersey supreme court has ruled that a resident worker employed by a domestic firm who was injured in a Pennsylvania accident could not sue in New Jersey for negligence.

William F. Wilson of Camden sued Andrew Faull, Collingswood, N. J. contractor, for injuries Wilson sustained in a fall from a scaffold in Philadelphia. He was employed at the time by J. W. Tragle of Haddonfield, N. J., who had undertaken the Philadelphia job as a subcontractor for the Faull firm. Wilson collected compensation from Tragle under the New Jersey act and then sued the Faull firm for negligence.

Pennsylvania law does not permit an injured workman to bring damage suits against a third party such as Faull but limits the legal remedy to a possible WC award which Wilson had already received against Tragle. New Jersey law does not bar third party suits, but the high court held that Pennsylvania law applied and Wilson could not sue Faull for negligence in New Jersey.

## Two New V-Ps To Head Mich. Mutual Liability Special Risks Dept.

Michigan Mutual Liability has formed a special risks department, and has promoted two men to vice-president to head it.

D. A. Lindow has been advanced to vice-president and manager of the newly created department. He has been with the company since 1935, and most recently headed the compensation and liability underwriting department.

E. W. Bidigare, who joined the company in 1939, has been made a vice-president and will direct the department's sales activities. He has served in executive capacities in both sales and underwriting.

The company has also consolidated its automobile and compensation underwriting into a single casualty underwriting department under the direction of Assistant Vice-president J. A. Babb.

## Ohio Casualty Men Elect W. L. Venable

Ohio Assn. of Casualty & Surety Representatives held their annual meeting at Granville and elected as new officers William L. Venable, U.S.F.&G., president; L. F. Brock, Fidelity & Casualty, vice-president; H.M. Hammer, U.S.F.&G., vice-president.

Arthur I. Vorys, Ohio superintendent, spoke on current problems in insurance regulations. Retiring president Ray T. Fielder, Yorkshire, received a gavel plaque.

## Oklahoma Blue Goose Names W. S. Brooks MLG

Oklahoma Blue Goose has elected as MLG W. S. Brooks of Oklahoma Inspection Bureau. Other officers elected are Marvin G. Elkins, Northern of London, supervisor; Willis A. Hart, American, custodian; S. Allen Tillotson, Aetna Fire, guardian; Joseph McCormick, General Adjustment Bureau, keeper; and Leonard Gray, Oklahoma Inspection Bureau, wielder. D. E. Parry of Old Colony is the retiring MLG.

### NOSKER EMPLOYMENT AGENCY

Insurance Specialists 34 Years  
California Positions  
Male—Female  
All Lines

110 So. Broadway Los Angeles 14

## Missouri Field Men Elect Johnson President

Herbert E. Johnson Jr., Aetna Fire, Kansas City, was elected president at the annual meeting of Missouri Fire Underwriters Assn. held at Lake Taneycomo.

Other officers elected were Kiah Smith, U.S.F.&G., St. Louis, vice-president; James Siddall, Providence Washington, Kansas City, secretary, and Mrs. Myrtle Larson, assistant secretary.

Missouri State Fire Prevention Assn. held its annual at the same time and elected the following: John LaPere, Phoenix of Connecticut, St. Louis, president; Robert Hallock, Great American, Kansas City, vice-president, and C. Don McCormack, Boston and Old Colony, St. Louis, secretary.

## Proposed Ala. Code Ready For Hearings In Dept.

Hearings will be conducted in September by the Alabama legislative committee on insurance on a proposed new state insurance code. The code was prepared by the legal firm of Williams & Williams, Seattle. Its senior member, Robert D. Williams will be on hand for the hearings.

Under one section, Alabama's 9,000 insurance agents would be issued a lifetime license for \$10. However, different provisions would apply to fire-casualty representatives and life and A&S agents. The license issued to the agent would cover all companies he might represent. In addition to the agent's license, each company would be required to pay a \$5 appointment fee, renewable each year, for each licensee who represents it. Superintendent J. H. Horn said the proposed plan would result in substantial savings by greatly reducing the amount of clerical work involved in issuing annual licenses.

### Want Insured's Consent

Another section would require an individual to consent in writing before insurance could be issued to him. This would prevent a person taking out coin-dispensing insurance at an airport on another person, without the latter's knowledge.

Casualty insurers would not have to have more capital but would be required to maintain a surplus at all times of \$250,000 or 150% of capital, whichever is greater.

The proposed code also includes sections which would make it a felony for company officials to take its records out of the state when the commissioner becomes uneasy about its financial condition and seeks to examine the books; permit mutuals to issue non-assessable policies if they have sufficient capital; allow a stock or mutual company to issue profit participating policies, and set up safeguards when mutual companies are converted into stock companies.

## Codere Retires As Canadian Chief Of St. Paul F.&M.

P. A. Codere, resident vice-president in charge of operations in Canada for St. Paul F.&M., is retiring July 1 under the company pension plan.

Mr. Codere joined St. Paul F.&M. in 1916 as assistant to the then chief agent for Canada, C. F. Codere, now chairman; and in 1920 he was made chief agent for Canada. In 1943 his title was changed to manager for Canada and in 1948 to resident vice-president at Winnipeg.

Nelson C. Lane is appointed resident secretary and chief agent of the Canadian department, succeeding Mr. Codere. He has been with the company since 1935, starting as a field man at Milwaukee. In 1952 Mr. Lane was transferred to Detroit as manager and the next year went to Winnipeg as assistant to Mr. Codere, with the title of resident assistant secretary.

## Aetna Casualty Breaks A&S Record On Hoodoo Day

The New York office of Aetna Casualty wrote 1,632 A&S applications on Friday, June 13, in observance of Hoodoo Day. This was the highest score in a total of 9,400 applications countrywide, which broke the record for a single day's A&S applications.

Bent & Bent of Hartford was the agency leader with 182 applications.

## Browne Retires, Hayes Heads Coast Operations Of Talbot, Bird & Co.

Harry Browne, resident vice-president of Talbot, Bird & Co. on the Pacific coast, owing to ill health has requested that he be relieved of his duties as of July 1. John T. Hayes, resident secretary, who has been Mr. Browne's chief assistant, will on that date assume complete charge of all of Talbot, Bird's business in that area.

## From Slawsby To Interstate

Francis E. Whaland, sales manager of the Slawsby agency of Nashua, N. H., has gone with Interstate agency of Boston as general manager. Interstate represents Cosmopolitan Mutual of New York and Universal Underwriters of Kansas City. Mr. Whaland formerly was with Central Mutual and Caledonian, and served on the property committee of National Assn. of Insurance Agents the past year.

## Baile Succeeds Day In N. J.

London & Lancashire has named Calvin Baile state agent in New Jersey, with headquarters in Newark. He succeeds Osborne H. Day, who has retired. Mr. Baile has been associated with Mr. Day for a number of years.

## 3-D Contract Inventory Shortage Court's Subject

(CONTINUED FROM PAGE 13)  
attempt to have the Supreme Court review the action of the appeal court in affirming the trial court's exclusion of inventory shortage from the jury's consideration. The brief asserted that the other ground advanced for the writ was refusal to allow the testimony of the private detective who had taken the oral confession from Jackson.

Manufacturers Casualty cited the appeals court's opinion that even if the packer had requested the court to charge that its records showing inventory shortage could be considered by the jury as corroborating the direct evidence of loss by theft—and had duly excepted to the failure of the court to so instruct—this trial court action could not be considered in error under the circumstances of the case where proofs, records and computations were uncertain and deficient. As an example, shrinkage of meat was an issue, and the packer's superintendent admitted that that was a "bugaboo" of the meat industry. With regard to the private detective's unadmitted testimony, the company said it would have amounted to predication an "inference upon an inference."

The packer alleged that the trial court had given the impression that exceptions to the disputed points were not necessary and it therefore had not taken them. The packer also denied there had ever been any written statement by Jackson, and that his oral confession should have been admitted as pertinent. The high court disagreed and denied the writ.

Jerome Goldman and Douglas G. Cole of Cincinnati appeared for Sucher Packing Co., Pickrel, Schaeffer & Ebeling of Dayton represented Manufacturers Casualty.

## Zurich Names Young Personnel Director

Malcolm G. Young has been named personnel director of Zurich.

Mr. Young joined Zurich in 1926 while a student at New York University, and was transferred to Chicago in 1938.

## WANT ADS

Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

## AGENCY EXECUTIVE

Challenging opportunity for man with ambition and initiative to be in charge of and to direct agency operations of old established midwestern Life and Accident Company. Should have thorough knowledge of all agency department operations plus ability to promote sales and to direct and organize. Excellent starting salary with an even greater potential. Submit complete résumé, recent photograph, age, experience and present salary. Apply in complete confidence to: Box B-25, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

SURPLUS LINE BUSINESS ON  
NON ADMITTED BASIS  
FIRE—AUTO—MISC.

CARL L. CHRISTENSEN, CPCU  
SALES MANAGER  
DELTA INSURANCE COMPANIES  
BOX 2871—BATON ROUGE, LA.

## BOND UNDERWRITER

Southwestern Company needs man, age 30 minimum with at least 5 years general fidelity surety experience to assist Department Manager. Must be capable of taking charge of all detail and minor underwriting. Exceptional opportunity. State age, education, employment, and qualifications. Write Box B-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## AVAILABLE

### AGGRESSIVE BOILER & MACHINERY HOME OFFICE EXECUTIVE

Capable of organizing, developing and operating all phases of new department for established company desiring to enter this field. Present position General Manager Boiler and Machinery Division of Multiple Lines Company. Present salary in excess of \$10,000. Reply to Box B-35, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

## BUSINESS OPPORTUNITIES

Write for information on opportunities with NOTIFIER'S NATIONWIDE ORGANIZATION selling and servicing fire detection, sprinkler supervision, plant protection, and municipal alarm systems. Dealerships are available and can be allied closely to insurance agency or insurance sales work.

NOTIFIER CORPORATION  
LINEOLIN B, NEBRASKA

DEPT. MU

## DISTRICT SALES MANAGER

Large national mutual casualty company has unusual opening for experienced casualty sales manager. St. Louis-Kansas City area. Send complete résumé. All replies confidential. Write Box B-11, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## INLAND MARINE UNDERWRITER

Attractive opportunity in Boston Regional Office of an expanding multiple line stock company. Liberal employee benefits including non-contributory pension plan. Four years previous inland marine underwriting experience required. Send detailed resume describing education, experience and salary desired to Box B-24, c/o The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## Editorial Comment

### Leave The Blowing To Gabriel

Greater New York Safety Council has advised motorists that they should not be afraid to blow their horns to prevent accidents. At the same time the drivers were told to observe local ordinances against unnecessary noise, including horn tooting, but not to forget the horn in times of danger.

That is also true in other fields. Ships resort to their basso profundo tooling when maneuvering through thick fog. So do business men. It's a good safety device—but it should not be mistaken

for anything more—whether one is driving, piloting a ship, or trying to steer a commercial venture into a clearer atmosphere.

The safety council said that unnecessary horn blowing jangles nerves, irritates other drivers and pedestrians and thus contributes to the very hazards, it is trying to avoid. This was directed to drivers, but the council did not say business men were barred from using the advice—even when they are not driving.—J.N.C.

### Pay The Fare Or Get Off "Big I" Bus

Herbert S. Brewer of Lockport, N. Y., president of New York State Assn. of Insurance Agents, has told "free-loaders" to get off the "Big I" bandwagon, represented by National Assn. of Insurance Agents' advertising program.

In a call for cooperation in the campaign, Mr. Brewer said that many agents justify non-participation by asking themselves why they should contribute when one of their fellow independents down the street keeps a stranglehold on his pocketbook. Each agent has to live with his own conscience and decide for himself how much his business means to him, he declared.

Mr. Brewer pointed out that a truck driver pays more than \$100 to join his union, with continuing dues of at least \$5 a month and asked if an agent could relatively consider a contribution to the ad campaign too expensive to establish his independent status and publicize his service. Agents supporting the "Big I" are investing in their survival, Mr. Brewer said.

He noted aggressive public rela-

tions activities in other businesses and said that recently when he deplaned from a Capital Airlines Viscount, the stewardess extended a "thank you" from the crew and finished by saying: "You have just completed the safest part of your trip. From now on, please be careful." The implications of that remark really sell air travel, Mr. Brewer declared, and agents should take similar advantage of every opportunity to promote their service.

His observations supply a vital need for forthright comment on the NAIA campaign and come with better grace from him than from a detached observer. After all the agent is merely being asked to contribute to a fund which falls far short of the annual advertising budgets of some individual companies operating under different philosophies and intent on commercially cutting the independent agent's throat. If he wishes to help them do the job faster and more completely, he couldn't find a better way than by keeping his hands in his pockets and sticking his neck in the wringer of apathy. J. N. C.

## Personals

**Martin T. Lewis**, special agent of Fireman's Fund at Cincinnati, and Mrs. Lewis are the parents of a new son, Martin Clay Lewis, their second child. Mr. Lewis is the son of the late Martin W. Lewis, former general manager of Surety Assn. of America.

**Rosser Long Jr.** of Fayetteville, president of West Virginia Assn. of Insurance Agents, has been appointed to the state board of insurance for a six year term.

### Ohio WC Rates Are Cut

The Ohio industrial commission, which administers the monopolistic workmen's compensation act, has approved a 7.23% reduction in WC rates, on the basis of a favorable five-year record for the state fund. The new rates are effective for one year starting July 1. Rate reductions in the past three years have exceeded 24%. The new rates apply to 192 industrial classifications. Of that total, 43 received rate increases and seven were unchanged.

## Deaths

**THEO HARDY** of Vicksburg, Miss., died at St. Dominic Hospital in Jackson after a brief illness. His health had been failing for two or three years, but he continued active in business and in association work until the last. He was past president of Mississippi Assn. of Insurance Agents and winner of the Johnson memorial award.



Theo Hardy

**ANTHONY S. WALISH**, 58, secretary-treasurer of Chris. Schroeder & Son agency of Milwaukee and an official of the Schroeder hotel system, was fatally injured Saturday night, June 28, when his car struck a concrete abutment on a highway in Brookfield, west of Milwaukee. He had been with the Schroeder agency since 1916, starting as an office boy. Mr. Walish

was active in the Milwaukee and Wisconsin Assns. of Insurance Agents and had served several terms as a director.

**CLARENCE M. KINNEY**, 80, retired leader in casualty insurance in Chicago, died. In the business for about 45 years, Mr. Kinney started in 1909 with Travelers. In 1919 he joined American Auto as manager at Chicago, a position he occupied until 1936 when he became a broker. During Gov. Green's administration he was special deputy in the Illinois department, and in 1951 he was appointed general manager in the Chicago area of Robert P. Butts & Co. agency of Springfield.



C. M. Kinney

**JAMES A. ARCHER**, 67, a New York City producer all his business life, died at Greenwich, Conn., Hospital after a short illness. He lived in Riverside, Conn. He began with the Rosenthal brokerage firm, was with Travelers out of the John street office for some years, and for the past 16 years had been with Mosenthal & Co., downtown New York brokers.

**RALPH B. McDONALD**, 71, well-known Seattle agent, died at his home of a heart attack.

**ROGER F. MURRAY**, 93, founder of Murray, Vander Poel & Baker, New York brokerage firm, died at his home in Plainfield, N. J. He founded the firm 76 years ago. He was a member of the New Jersey assembly 1897-99.

**FREDERICK W. LAMONT**, 73, who retired 10 years ago as assistant manager of Norwich Union at Toronto, died.

**CHARLES KOCH**, 69, Buffalo agent, died of a heart attack.

### Williams Is Insurance Man Of Year In Dallas

**DALLAS**—W. Nicholas Williams, immediate past president of Dallas Assn. of Insurance Agents, was designated "Insurance Man of the Year" and recipient of the Mabry Seay award for outstanding community and professional service at the association's June luncheon meeting.

Some 200 members and guests attended the affair, which included formal presentation of some 25 candidates for congressional, state and county offices in the July primaries and an address on duties and responsibilities of citizenship by Zollie C. Steakley, secretary of state for Texas and former counsel for the Texas Assn. of Life Underwriters.

Mr. Williams, who was selected for the honor by a special committee of civic leaders, has been in the insurance business in the southwest since 1935. He was with Fidelity & Deposit in Houston, Oklahoma City and Dallas for nine years and with Employers Liability for seven years, becoming southwestern resident manager. He resigned to enter the agency field in 1951.

### Boersma Promoted At Chicago

Standard Accident has appointed Henry H. Boersma claim supervisor of the Chicago branch office. He joined Standard Accident in 1949 in Chicago. In 1954 he joined the Glenn T. Nensel agency, and in 1955 returned to Standard Accident. Upon completion of training he was made a claim representative.

## The NATIONAL UNDERWRITER

The National  
Weekly Newspaper of  
Fire and Casualty Insurance

### EDITORIAL OFFICE

17 John St., New York 38, N. Y.  
Tel. BEekman 3-3958 TWX NY 1-3080

Executive Editor: Kenneth O. Force.  
Associate Editor: John N. Cosgrove.

### CHICAGO EDITORIAL OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAbash 2-2704 TWX CG 654  
Managing Editor: John C. Burridge.  
Assistant Editors: Richard G. Ebel,  
William H. Faltysek, William H. Faricy and  
R. R. Cusacken

### ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.  
Tel. WAbash 2-2704 TWX CG 654  
Advertising Manager: Raymond J. O'Brien

### SUBSCRIPTION OFFICE

420 E. Fourth St., Cincinnati 2, Ohio.  
Telephone PArkway 1-2140.

### OFFICERS

Howard J. Burridge, President.  
Louis H. Martin, Vice-President.  
John Z. Herschede, Secretary-Treasurer.  
420 E. Fourth St., Cincinnati 2, Ohio.  
Telephone PArkway 1-2140.

### SALES OFFICES

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 10, MASS.—80 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, Southern New England Manager and John F. MacNamara, Northern New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. A. J. Wheeler, Chicago Manager. R. J. Wieghaus and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140. Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Arthur W. Riggs, Statistician.

CLEVELAND 14, OHIO—1367 E. 6th St., Lincoln Bldg., Rm. 208, CH 1-3390. Paul Blesi, Resident Manager.

DALLAS 1, TEXAS—308 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. J. Robert Ebelhardt, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 28, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5834 N. Rural St., Tel. Clifford 3-2276. William J. Gessing, Manager for Indiana and Michigan.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401, Tel. Beekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St., Room 1027. Tel. Pennypacker 5-3706. Robert L. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—321 Pierce Bldg., Tel. Chestnut 1-1534. Geo. E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—583 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

### CHANGE OF ADDRESS

Be sure to enclose mailing wrapper with new address. Allow three weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

## Wash. Agents Hit NAIA On Commission "Primer"

(CONTINUED FROM PAGE 1)

statement approved at a regular meeting of that body. It appears that no explanation or other elucidation of the statement should be made under the auspices of NAIA unless and until the National Board should so authorize.

"Washington respectfully requests that at the next meeting of the National Board this matter be presented. If the National Board then should agree that a matter of policy has been violated by the executive committee, a repudiation of the sponsorship of this booklet may be made."

Carbon copies were sent to the members of the committee to review the minutes and to all state association officers in NAIA.

### Criticized In Editorial

An editorial in the "Northwest Agency Bulletin" published by Irwin Mesher of Seattle, says the "primer" on commissions deals with NAIA policy, and "explores at length the issue of commissions and in the closing paragraphs recounts the action of the California association in threatening anti-trust action as a means of preserving the individual right of contract of each agent. Because of the official status of the 'primer', NAIA has endorsed such procedure to the extent that it has financed and distributed under its auspices propaganda promoting this viewpoint."

The editorial goes on to say that recognition by NAIA of the primer and publication of it in effect is "no more or less than a complete rationalization of California association's anti-trust philosophy."

## U.S.F.&G. Ranked In First 10 Among Auto Insurers In 1957

The listing of 20 leading auto insurers of 1957 in the June 6 issue erroneously showed U.S.F.&G. with \$77,899,330 of earned automobile premiums for last year. This figure should be \$95,525,640. This places U.S.F.&G. in ninth place, instead of 11th, as shown in the exhibit, compared with eighth place which it occupied in the same table in 1956. The rank of the other insurers would be modified accordingly.

## Iowa Blue Goose Elects Robert E. Tidrick MLG

Iowa pond of Blue Goose elected Robert E. Tidrick, Great American, MLG, at the annual meeting in Clear Lake.

Other officers elected were Lee W. Roland, Home, supervisor; J. W. Greene, America Fore group, custodian; Stewart W. Elder, Atlas, guardian; Glenn H. Campbell, Agricultural, keeper, and Virgil M. Day, Aetna, wielder. Named as delegates to the Grand Nest meeting were PMLG W.E. Henson, America Fore group, and Homer H. Nixon, Hawkeye-Security.

Northwestern Mutual has opened a new district claims office in Fort Worth, with Charles Mask as manager. Mr. Mask has been handling claim assignments at Dallas.

David H. Winton, vice-president and manager of the casualty department of Johnson & Higgins, has been elected a director.

## Insurers Lose, But Win Wis. Rate Case

(CONTINUED FROM PAGE 1)

partment were major points in the bureau's case.

By directing the bureau to file new rates within 60 days while the interim rates remain in effect, the court avoided the possibility of an illegal tariff which would call for refunds to policyholders or an assessment. This was another matter of satisfaction to the companies.

The supreme court heard arguments in the case only two weeks ago, and remarked in its opinion that it was confronted with innumerable exhibits and 2,000 pages of testimony. Nevertheless, the decision was rendered promptly, it apparently being the position of the court that it could not possibly prescribe the formula to be followed in ratemaking. It was pointed out that the bureau had contended in effect that the staff of Commissioner Rogan had adopted figures "in attempting to do indirectly what could not be done directly." The bureau contends, the court observed, "that the effect of the commissioner's determination is that no rates will be approved by him that do not comply with his staff's computation. The position of the bureau is understandable when the exhibits prepared by the commissioner's staff are considered in the light of the testimony given by members of his staff. If the bureau is correct in its argument the decision of the commissioner is invalid. However, in view of his (the commissioner's) statement, both in the circuit court and before this court, he is precluded from so asserting in the future."

## Lyons Promoted By Zurich

Zurich has promoted Charles F. Lyons to assistant branch manager at Philadelphia. He joined Zurich in 1941 at Philadelphia. He had previously been with Ocean Accident for 14 years.

## Stocks

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, July 1, 1958

	Bid	Asked
Aetna Casualty	130	134
Aetna Fire	63 1/2	70
Aetna Life	140	183
Agricultural	27 1/2	29 1/2
American Equitable	32 1/2	34 1/2
American (N. J.)	26	27
American Motorists	11 1/2	12 1/2
American Surety	16	17
Boston	30	31
Camden Fire	29 1/2	30 1/2
Continental Casualty	79 1/2	81
Crum & Forster com.	54	55 1/2
Federal	40 1/2	42
Fireman's Fund	53	54
General Reinsurance	55	57
Glens Falls	29	30 1/2
Globe & Republic	18 1/2	19 1/2
Great American Fire	36 1/2	37 1/2
Hartford Fire	153	156
Hanover Fire	37 1/2	38 1/2
Home (N. Y.)	42 1/2	43 1/2
Ins. Co. of No. America	107	109
Maryland Casualty	36 1/2	37 1/2
Mass. Bonding	32 1/2	34 1/2
National Fire	79	81
National Union	37 1/2	38 1/2
New Amsterdam Cas.	41 1/2	42 1/2
New Hampshire	40	42
North River	33 1/2	34 1/2
Ohio Casualty	21 1/2	22 1/2
Phoenix Conn.	65	67
Prov. Wash.	16 1/2	17 1/2
Reinsurance Corp. of N. Y.	14 1/2	15 1/2
Reliance	42	43
St. Paul F. & M.	47 1/2	49 1/2
Springfield F. & M.	29	30
Standard Accident	43 1/2	45 1/2
Travelers	76	77
U.S.F. & G.	62	64
U. S. Fire	26 1/2	27 1/2

## Court Upholds Cal. Dept. On International Guaranty

(CONTINUED FROM PAGE 1)

been completed. He also said that under the original program Henry E. North, vice-president of Metropolitan Life at San Francisco, would have, following his retirement, become general manager of the trust fund. However, the fund has become a target for many attacks and apparently, according to records, many of the first and second mortgages did not actually belong to the companies but had been "held in escrow"—with the depositors now wanting them back.

J. W. Ehrlich, Stewart Hopps, and his son Robert Hopps, and employees of Mr. Hopps have been subpoenaed to appear before the commissioner July 9. The question is whether Stewart Hopps will appear; so far he has not undergone direct questioning at a hearing. Robert Hopps has applied for a broker's license. In view of the existing situation he was called up for a hearing on this application June 23, but attorneys got this postponed to a date after the court hearing on June 26.

Assistant Attorney-general Harold Haas said some Californians have claims against International Guaranty and that none of the company's general agents at Phoenix, Reno and other places were properly licensed with the exception of the McAdams-Van Wagner agency of Chicago.

The E. Kinker & Co. agency of Cincinnati is moving its office to the Insurance Exchange building at 1216 East McMillan street.

## FTC Orders Set Aside By Supreme Court

(CONTINUED FROM PAGE 1)

guarantee certain standards of conduct is too inchoate to be regulation until that prohibition has been crystallized into administrative elaboration of these standards and application in individual cases. However, said the Supreme Court, assuming some difference in the McCarran act between legislation and regulation, nothing in the act or its history supports the distinction drawn by FTC. Section 2(B) has been satisfied, the court declared.

## Best Co. Promotes Matre

Frank J. Matre, western sales manager of the A. M. Best Co., with headquarters in Chicago, has been promoted to vice-president in the midwestern territory. Mr. Matre has been western sales manager 25 years, and will continue in that capacity. Before joining the A. M. Best Co., he was president of Pittsburg Fire and was a personal friend of the late A. M. Best for many years. Mr. Best arranged the sale of Pittsburg Fire to National Liberty which subsequently was absorbed by Home.

One of the last official acts of the late A. M. Best as president of his organization was to act as host at a dinner in New York at which Mr. Matre was among those honored for having been with the company for 25 years or more.

Arthur P. Wyman has retired as assistant secretary of Dorchester Mutual Fire. He was a local agent in Arlington, Mass., before joining Dorchester Mutual in 1941 in the New England field.



**SPAN**  
Makes the Difference

With a staff of 170—one of the largest Excess & Surplus lines staffs in America—Geo. F. Brown & Sons can span the full length and breadth of the market . . . know every form of coverage in detail. This means the right answer fast to your toughest problems . . . less work . . . the best-fitting coverage for your clients.

See what the difference does for you. Place your next special risk through the complete Surplus line facility . . .

**GEO. F. BROWN & SONS, INC.**

175 West Jackson Boulevard • Chicago 4 • WAbash 2-4280  
116 John Street • New York 38 • WOrth 4-0745

# STABILITY



*REINSURANCE, TOO, through its basic service to the insurance industry, contributes to the stability of man's business and property.*

## GENERAL REINSURANCE CORPORATION

*Largest American multiple line market dealing exclusively in Reinsurance  
ALL FIRE, CASUALTY, ACCIDENT AND SICKNESS, BONDING AND MARINE LINES*

*Home Office: GENERAL REINSURANCE BLDG. | Midwestern Dept.: 1012 BALTIMORE BUILDING, KANSAS CITY 5, MISSOURI  
400 PARK AVENUE, NEW YORK 22, N. Y. | Pacific Dept.: 610 SO. HARVARD BOULEVARD, LOS ANGELES 5, CALIFORNIA*

